UCLA

ANNUAL FINANCIAL REPORT

2013 • 2014

UCLA

Photography: Eu Ran Kwak/Daily Bruin

The Edie and Lew Wasserman building, a LEED gold-certified 6-story gift-in-kind, will house research and patient care for the Jules Stein Eye Institute and the David Geffen School of Medicine.

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UCLA

Letter from Chancellor
Gene D. Block

Todd Ceney/UCLA Photography

"UCLA also continues to excel in an array of national and international rankings. UCLA placed No. 2 among the nation's best public universities and No. 23 overall in the closely watched U.S. News and World Report rankings of the nation's top colleges and universities. In an August 2013 report, Shanghai Jiao Tong University's Academic Ranking of World Universities placed UCLA second among U.S. public institutions and No. 12 overall."

In May, the public launch of our Centennial Campaign for UCLA featured a stunning multimedia presentation projected onto Royce Hall. The video showcased the remarkable breadth and depth of UCLA's impact on the community and the world since our founding in 1919. It was one highlight of 2013–14, a year during which we continued to build upon our history with new achievements in academic excellence, research and service, and through investments in our future that will ensure our continued strength.

The Centennial Campaign will provide us with the financial self-reliance we need to offer innovative education to a new generation of trailblazers and leaders, regardless of their economic means, and enable our faculty to continue to produce world-changing innovations. The campaign seeks to raise $4.2 billion by 2019, our 100th anniversary, and we got off to a great start, having raised $1.323 billion during the campaign's quiet phase.

During the 2013–14 fiscal year alone, UCLA raised a record $557 million, surpassing our goal of $500 million. Among the notable gifts was $20 million from Anthony and Jeanne Pritzker to create endowments to support environmental and sustainability research, provide resources to UCLA students who were in foster care, and expand arts programs for children and families at the Hammer Museum. This gift is consistent with our mission to address some of society's leading challenges.

UCLA's commitment to applying our educational and research prowess for the betterment of our community is further evidenced in our UCLA Grand Challenges Initiative, which launched in November. Working together, UCLA students, faculty, staff, alumni and friends will tackle some of the most pressing issues of our time. The first Grand Challenge project, "Thriving in a Hotter Los Angeles," will during the next five years result in a comprehensive plan to make our city self-sufficient in energy and water by 2050.

I'm extraordinarily proud of the success of the UCLA Community School, the K-12 school we co-founded with the Los Angeles Unified School District in 2009 in a previously underserved neighborhood. Among the students who graduated in 2014, more than half were admitted to four-year colleges or universities, up

Michael Czerwonka for UCLA (2)

A spectacular light show using Royce Hall as the backdrop helped to kick off the UCLA Centennial Campaign.

from 13 percent of graduating seniors in that area in 2009 — a remarkable increase due in part to the teaching techniques and other expertise brought to the school by our Graduate School of Education & Information Studies.

UCLA's impact also was demonstrated in a study released in October. The report, which we commissioned, revealed that for every dollar the state invests in UCLA, the campus returns $34 in economic activity, and that UCLA generates an astounding $12.7 billion in economic impact for our region.

UCLA scholars and graduates again enjoyed national and international acclaim for their groundbreaking research and discoveries across several disciplines.

UCLA alumnus and current UC Berkeley professor Randy Schekman won the Nobel Prize in Physiology or Medicine for research that holds promise for advancing our understanding of neurological and immunological disorders. Seven alumni and six faculty members have won a Nobel Prize. I was honored to present Professor Schekman with the UCLA Medal at commencement ceremonies in June. In his dedication to serving humanity and his advocacy for public education, he embodies the very best of who we are and what we aspire to be at UCLA.

UCLA faculty members are recognized by their peers as world leaders in their disciplines. Last year, several of our scholars received prestigious awards and were elected to distinguished academic societies. Among them, four were elected to the American Academy of Arts and Sciences, three to the American Association for the Advancement of Science, one to the National Academy of Engineering, one to the National Academy of Sciences, one to the Institute of Medicine and one to Britain's Royal Society. Two received Guggenheim fellowships and two received Sloan fellowships.

Our world-class faculty continued to be highly successful in attracting competitively awarded research funding, receiving about $973 million in the 2013–14 fiscal year and maintaining UCLA's long-held position among the nation's leading research powerhouses.

UCLA's work to quickly translate research to practical uses is vibrant, and we are continuing to strengthen those

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efforts. UCLA is the source of more than 100 active startup companies based on student- and faculty-led discoveries, as well as nearly 700 active patents.

Several construction projects that support our mission and are key investments in our future continue to take shape. Among them, the Meyer and Renee Luskin Conference and Guest Center is steadily rising at the center of campus, near the James West Alumni Center, as is a state-of-the-art addition to the Henry Samueli School of Engineering and Applied Science. Also under way is work on the David Geffen School of Medicine's Teaching and Learning Center for Health Sciences. In the residence hall area known as the Hill, three impressive new buildings — Sproul Landing, Sproul Cove and Carnesale Commons — opened to positive reviews.

In athletics, UCLA continued our record of excellence, adding NCAA titles in women's soccer and women's tennis. UCLA now has 111 championships in team sports, more than any other university in the country.

UCLA also continues to excel in an array of national and international rankings. UCLA placed No. 2 among the nation's best public universities and No. 23 overall in the closely watched U.S. News and World Report rankings of the nation's top colleges and universities. In an August 2013 report, Shanghai Jiao Tong University's Academic Ranking of World Universities placed UCLA second among U.S. public institutions and No. 12 overall.

Given UCLA's broad excellence, it's no surprise that the best students continue to be drawn to our campus. UCLA holds the distinction of being the most-applied-to college or university in the country, with more than 100,000 undergraduate applications received each year. Admitted freshman have an average high school GPA of 4.39.

As UCLA prepares for our second century, we look proudly upon the unparalleled accomplishments of those who have helped make this university a world leader in research, education and service. UCLA remains unwavering in our commitment to excellence now and in the decades to come. Thank you for all that you do to support this truly great university.

Gene D. Block

Chancellor

UCLA

UNIVERSITY OF CALIFORNIA, LOS ANGELES

CAMPUS AND FINANCIAL HIGHLIGHTS

Years ended June 30, 2014 and 2013 *(dollars in millions)*	**2014**	**2013**
CAMPUS LAND AREA	419 acres	419 acres
ENROLLMENT - FALL QUARTER		
Undergraduates	28,674	27,941
Graduates, and Interns and Residents	13,516	13,400
EMPLOYEE COUNT		
Full-Time Equivalent (includes over 7,000 casuals and students)	32,110	31,457
NET POSITION:		
Beginning of Year (restated)	$ 1,584	$ 1,832
End of Year	$ 1,980	$ 1,584
ASSETS:		
Total Current Assets	$ 1,655	$ 1,744
Total Noncurrent Assets and Deferred Outflows	10,910	10,280
	$ 12,565	$ 12,024
LIABILITIES:		
Total Current Liabilities	$ 1,343	$ 1,247
Total Noncurrent Liabilities and Deferred Inflows	9,242	9,193
	$ 10,585	$ 10,440
REVENUE:		
Operating Revenue	$ 4,930	$ 4,772
Nonoperating Revenue (Core Activities)	824	841
	$ 5,754	$ 5,613
Principal Sources of Operating Revenue:		
Student Tuition and Fees	$ 653	$ 621
Grants and Contracts	$ 857	$ 897
Sales and Services	$ 3,309	$ 3,143
Principal Sources of Nonoperating Revenue:		
State Educational Appropriations	$ 452	$ 408
EXPENDITURES:		
Operating Expense	$ 6,012	$ 6,033
Nonoperating Expense (Core Activities)	126	142
	$ 6,138	$ 6,175
Principal Operating Expenditures:		
Salaries and Wages	$ 2,826	$ 2,734
Benefits	$ 1,215	$ 1,483
Supplies and Materials	$ 628	$ 548
Other Operating Expenditures	$ 927	$ 886

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More than 6,500 volunteers, comprised of students, staff, faculty, alumni, parents, and community members, all gather to participate in UCLA's annual volunteer day heading to more than 40 community partner sites, including K-12 schools, food banks, parks, shelters, veteran's facilities, and neighborhood centers.

UCLA Marketing and Special Events

All photography by UCLA Volunteer Center

UCLA

MANAGEMENT'S
DISCUSSION AND ANALYSIS

The objective of Management's Discussion and Analysis (MD&A) is to help readers of the University of California Los Angeles' financial statements better understand the financial position and operating activities for the year ended June 30, 2014, with selected comparative information for the year ended June 30, 2013. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes to the financial statements. Unless otherwise indicated, years 2013, 2014, 2015, etc. in this discussion refer to the fiscal years ended June 30.

UCLA is one of 10 campuses within the University of California system. The UCLA Annual Financial Report, while not separately audited, is prepared from the official University of California records and accounts, which are maintained in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB). The three basic financial statements in this report—the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows—encompass the UCLA campus and its discretely presented components, the UCLA Foundation and the Jonsson Cancer Center Foundation. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements. However, the MD&A and the Notes to the Financial Statements focus mainly on the campus; information relating to The UCLA Foundation can be found in the separately issued audited financial statements at https://www.uclafoundation.org, and the Jonsson Cancer Center Foundation (JCCF) separately issued audited financial statements can be found at www.cancer.ucla.edu. Also, audited financial statements for the UCLA Medical Center are in the University of California's Medical Centers Report available at www.ucop.edu/bondholder-information/financial-reports/medical-center-financial-reports/index.html.

THE UNIVERSITY OF CALIFORNIA

The University of California, one of the largest and most acclaimed institutions of higher learning in the world, is dedicated to excellence in teaching, research, health care and public service. The University has annual resources of nearly $26.6 billion and encompasses 10 campuses, five medical schools and medical centers, four law schools and a statewide Division of Agricultural and Natural Resources. The University is also involved in the operation and management of three national laboratories for the U.S. Department of Energy. The consolidated audited financial report of the University of California is available at www.universityofcalifornia.edu/reportingtransparency.

THE LOS ANGELES CAMPUS OF THE UNIVERSITY OF CALIFORNIA

UCLA was founded in 1919 and is financially the largest campus in the 10-campus University of California system, with an annual budget that exceeds $6 billion. The financial statements included in this annual report encompass the following:
Campus – The Los Angeles campus spans 419 acres in Westwood and is devoted to undergraduate and graduate scholarship serving over 42,000 students in the following schools:

COLLEGE OF LETTERS AND SCIENCE
General
Humanities
Institute of the Environment and Sustainability
International Institute
Life Sciences
Physical Sciences
Social Sciences

HEALTH SCIENCES PROGRAMS
David Geffen School of Medicine
Jonathan and Karin Fielding School of Public Health
School of Dentistry
School of Nursing

PROFESSIONAL SCHOOLS
Graduate School of Education & Information Studies
Henry Samueli School of Engineering and Applied Science
John E. Anderson Graduate School of Management
Meyer and Renee Luskin School of Public Affairs
School of Law
School of the Arts and Architecture
School of Theater, Film and Television

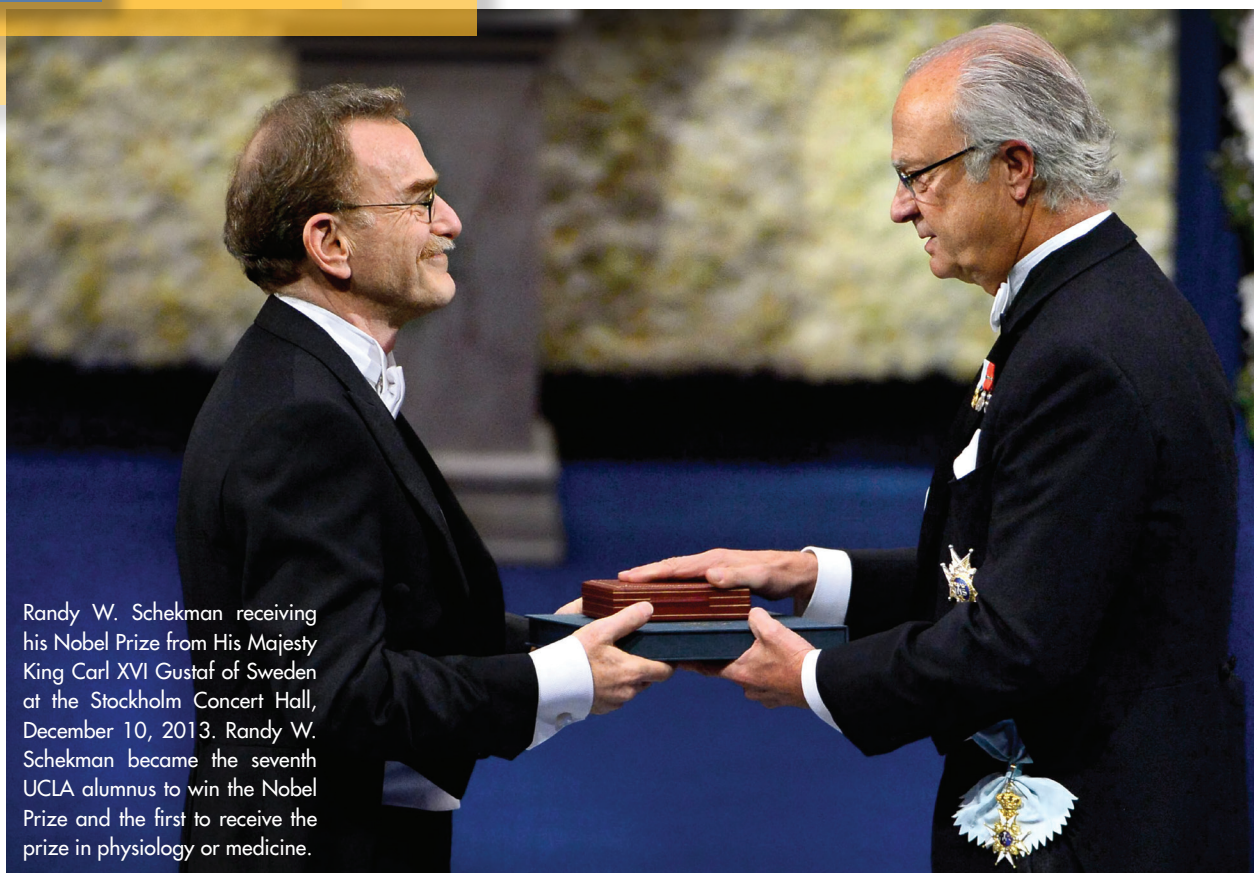
BASIC BIOMEDICAL SCIENCES
Letters and Science: Basic Biomedical Sciences
Medicine: Basic Biomedical Sciences

During the 2013-14 academic year, UCLA offered more than 6,700 different undergraduate and graduate courses in 165 subject areas, producing over 580,000 class enrollments. Known for academic excellence, many of UCLA's programs are rated among the best in the nation, and some are among the best in the world. Few universities offer the range and diversity of academic programs available to UCLA students.

The campus' mission also includes a strong dedication to research and public service. The UCLA community focuses on environmental issues, economic and social policy concerns, public education reform, and the cost of health care and medical advances. More than 4,300 research projects are being conducted on campus at any given time. For 2014, UCLA expenditures for research were approximately $722 million. In 2013, the most recently available ranking, the Center for Measuring University Performance, placed UCLA among the nation's top public and private research universities. This ranking was based on the number of competitively awarded research grants and contracts; faculty membership in the National Academies; faculty awards; the number of doctorates awarded; and other factors relating to research.

UCLA Extension offers the public more than 5,000 continuing education courses annually, covering professional and career development, academic enrichment and personal growth. These courses attract over 40,000 individual students from the many communities of Southern California and beyond.

UCLA employed over 43,000 faculty, administrators and staff (including casual and student employees) filling approximately 32,000 full-time-equivalent positions and spent $4 billion in compensation costs for the fiscal year ended June 30, 2014. UCLA's employees are distinguished for their contributions to education, research and public service.



Randy W. Schekman receiving his Nobel Prize from His Majesty King Carl XVI Gustaf of Sweden at the Stockholm Concert Hall, December 10, 2013. Randy W. Schekman became the seventh UCLA alumnus to win the Nobel Prize and the first to receive the prize in physiology or medicine.

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Distinguished honors and awards to UCLA alumni and faculty include:

- Seven alumni awarded Nobel Prizes for chemistry (1951, 1984, 2010), economics (1990, 2009), physiology or medicine (2013), and peace (1950)
- Six faculty members awarded Nobel Prizes for chemistry (1960, 1987, and 1997), physics (1965), physiology or medicine (1998), and economic sciences (2012)
- Eleven alumni awarded Rhodes Scholarships
- Ten faculty members awarded the President's National Medal of Science from the National Science Foundation
- One faculty member awarded the Fields Medal for Outstanding Discoveries in Mathematics from the International Congress of the International Mathematical Union (2006)
- Five alumni and three faculty members awarded the Presidential Medal of Freedom

Randy W. Schekman, one of three laureates, was awarded the 2013 Nobel Prize for Physiology or Medicine "for their discoveries of machinery regulating vesicle traffic, a major transport system in our cells". Schekman received a BA in molecular sciences from UCLA in 1971.

The Center for the Art of Performance at UCLA, the Fowler Museum at UCLA, the Hammer and the UCLA Film & Television Archive provide both academic programs and a wide array of public events that are second to none.

As of fall 2013, UCLA's on-campus physical plant included three on-campus buildings under construction, along with 207 existing buildings. Off campus, UCLA owns or manages 136 buildings and has 183 existing leases for various programmatic activities. UCLA has 14 libraries, housing more than 11 million volumes; a cogeneration power plant; on-campus student housing for more than 13,000 students; off-campus student and faculty apartments; and more, including the UCLA Conference Center at Lake Arrowhead.

UCLA Health System is comprised of Ronald Reagan UCLA Medical Center, UCLA Medical Center Santa Monica, Resnick Neuropsychiatric Hospital at UCLA, Mattel Children's Hospital UCLA, and the UCLA Medical Group. With its wide-reaching system of primary-care and specialty-care offices throughout the region, UCLA Health System is among the most comprehensive and advanced health care systems in the world. According to U.S. News and World Report's America's Best Hospital Honor Roll, UCLA Health ranks as one of the top five hospitals in the nation and, for 25 consecutive years, as the best hospital in the Western United States. UCLA's nationally recognized programs based in Westwood and in Santa Monica have been ranked highly in 15 of the 16 specialty areas. The medical center is the primary teaching hospitals for the David Geffen School of Medicine at UCLA. Information relating to UCLA Health System can be found at http://www.uclahealth.org/.

Key operating metrics for the UCLA Medical Center for the fiscal years ended June 30 are as follows:

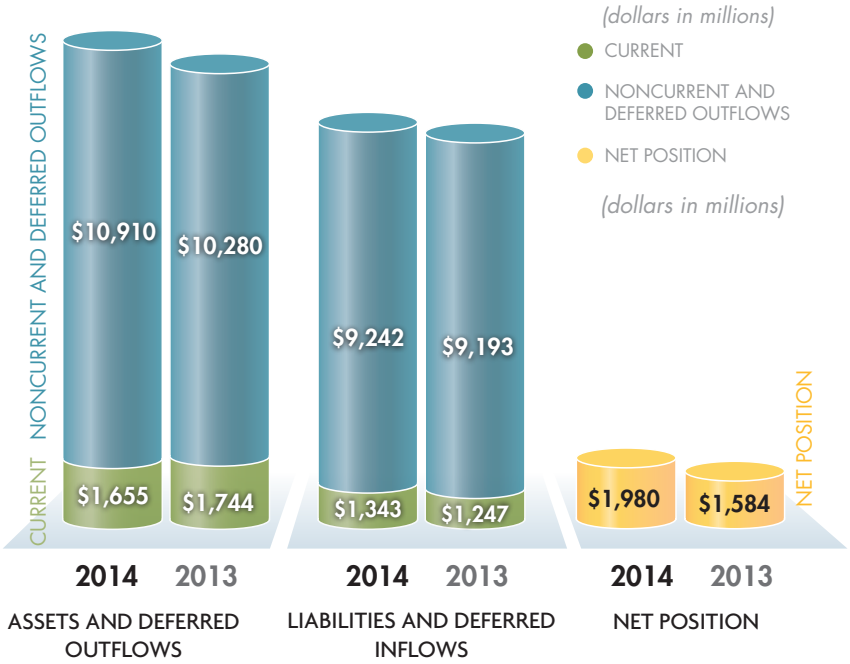
			Increase/(Decrease)	
	2014	2013	Amount	Percentage
OPERATING STATISTICS				
Licensed beds*	805	806	(1)	(0.1%)
Admissions	42,142	41,335	807	2.0%
Average daily census	733	731	2	0.3%
Discharges	42,117	40,997	1,120	2.7%
Average length of stay	6.4	6.5	(0.1)	(1.5%)
Patient days	267,506	266,976	530	0.2%
Case mix index	1.95	1.96	(0.01)	(0.5%)
Outpatient visits	706,325	720,536	(14,211)	(2.0%)
ADMISSIONS AND PATIENT DAYS	267,506	266,976	530	0.2%
OUTPATIENT VISITS				
Hospitals and clinics	640,012	654,189	(14,177)	(2.2%)
Emergency visits	66,313	66,347	(34)	(0.1%)
Total	**706,325**	**720,536**	**(14,211)**	**(2.0%)**

**Reduced one licensed bed as part of annual licensing with the state*

An Overview – The following table reflects the composition of UCLA for 2014, listing enrollment figures, full-time-equivalent employee figures and operating expenses by organization.

(dollars in millions)	Undergraduates	Graduates, Interns and Residents	Full-Time Equivalent (Includes Students)	Salaries and Wages	Benefits	Other Expenditures	Total Expenditures
Organizations	**Fall Enrollment**		**Employees**	**Operating Expenses**			
College of Letters and Science	23,601	2,760	3,546	$ 286	$ 133	$ 61	$ 480
School of the Arts and Architecture	862	382	509	37	19	10	66
School of Dentistry	-	514	385	36	15	17	68
School of Education & Information Studies	-	802	402	31	15	8	54
School of Engineering and Applied Science	3,154	1,854	847	71	35	28	134
School of Law	-	1,079	300	34	12	26	72
School of Management	-	1,960	439	54	19	34	107
School of Medicine	-	2,281	7,788	803	273	274	1,350
School of Nursing	198	407	158	14	7	4	25
School of Public Affairs	-	489	148	14	5	7	26
School of Public Health	-	604	314	29	13	17	59
School of Theater, Film and Television	329	335	277	20	9	5	34
Basic Biomedical Sciences	530	49	177	15	5	4	24
Neuropsychiatric Hospital	-	-	291	32	13	15	60
Neuropsychiatric Institute	-	-	590	61	27	30	118
Medical Center	-	-	8,098	762	401	579	1,742
University Extension	-	-	435	37	15	24	76
All Others	-	-	7,406	490	199	471	1,160
Subtotal Organizations	**28,674**	**13,516**	**32,110**	**2,826**	**1,215**	**1,614**	**5,655**
Depreciation Expense						334	334
Other Operational Expenditures						23	23
Total	**28,674**	**13,516**	**32,110**	**$ 2,826**	**$ 1,215**	**$ 1,971**	**$ 6,012**

THE CAMPUS' FINANCIAL POSITION



The major components of the assets, deferred outflows, liabilities, deferred inflows, and net position as of 2014 and 2013 are as follows:

(dollars in millions)	2014	2013
ASSETS		
Investments	$ 4,917	$ 4,439
Accounts receivable, net	861	879
Capital assets, net	5,757	5,448
Other assets	159	133
Total assets	**11,694**	**10,899**
DEFERRED OUTFLOWS OF RESOURCES	**871**	**1,125**
LIABILITIES		
Debt, including commercial paper	3,434	3,296
Pension obligations	2,242	3,098
Obligations for retiree health benefits	2,031	1,810
Other liabilities	1,309	1,310
Total liabilities	**$ 9,016**	**$ 9,514**
DEFERRED INFLOWS OF RESOURCES	**1,569**	**926**
NET POSITION		
Invested in capital assets, net of related debt	2,737	2,541
Restricted - expendable	1,523	1,351
Restricted - nonexpendable	248	237
Unrestricted	(2,528)	(2,545)
Total net position	**$ 1,980**	**$ 1,584**

The statement of net position presents UCLA's financial position at the end of the fiscal year. It displays the assets, deferred outflows and liabilities of the campus. The difference between assets, deferred outflows and liabilities is net position.

The Campus' Assets

UCLA's total assets have grown by $795 million to $11.7 billion in 2014, compared to $10.9 billion in 2013. Generally, over the past two years, capital assets have increased while investments have fluctuated, consistent with market performance.

Investments held by the University are principally carried in three investment pools: the Short Term Investment Pool (STIP), the Total Return Investment Pool (TRIP) and the General Endowment Pool (GEP). Cash for operations and bond proceeds for construction expenditures are invested in STIP. The University uses STIP to meet operational liquidity needs. TRIP allows participating campuses the opportunity to maximize the return on long-term capital by taking advantage of the economies of scale of investing in a large pool across a broad range of asset classes. TRIP is managed to a total return objective and is intended to supplement STIP. The GEP is a balanced portfolio and the primary investment vehicle for individual endowments and funds functioning as endowments.

The Regents of the University of California (The Regents) utilize asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and acceptable levels of risk. The GEP portfolio had positive returns of 18.7 percent and 11.6 percent in 2014 and 2013, respectively. TRIP had positive returns of 14.6 percent and 8.3 percent, in 2014 and 2013, respectively. STIP had positive returns of 1.6 percent and 2.1 percent in 2014 and 2013, respectively.

UCLA's investments, at June 30, include STIP at $1.3 billion for 2014 and $1.8 billion for 2013; $2.1 billion and $1.4 billion in TRIP for 2014 and 2013, respectively; and $1.5 billion and $1.3 billion in GEP for 2014 and 2013, respectively.

Capital assets, net continues to increase in order to provide the facilities necessary to support UCLA's teaching, research and public service mission, and for patient care. These facilities include core academic buildings, libraries, student services, housing and auxiliary enterprises, health science centers, utility plants and infrastructure, and remote centers for educational outreach, research and public service. Total additions to capital assets were $649 million in 2014 and $524 million in 2013. Completed buildings and improvements in 2014 include the Northwest Campus Student Housing Infill for $132 million and the Edie and Lew Wasserman Building for $59 million. Projects under construction include: the Center for the Health Sciences (CHS) South Tower Seismic Renovation; Engineering VI—a six-story laboratory building supporting green technology research; The UCLA Meyer and Renee Luskin Conference Center; and improvements to the Wasserman Building, which was gifted to UCLA.

Other assets include inventories, accounts receivables, pledges receivable, and notes and mortgages receivable.

Deferred Outflows of Resources

Changes in the net pension liability and changes in fair values of interest rate swaps determined to be hedging derivatives are both reported as deferred outflows of resources. The total decrease of $254 million was comprised of a $273 million decrease for recognition of changes in the net pension liability and a $19 million increase in changes to interest rate swaps.

The Campus' Liabilities

Campus liabilities decreased to $9.0 billion in 2014, compared to $9.5 billion in 2013, primarily due to an $855 million decrease in obligations for the UC Retirement Plan, partially offset by an approximately $221 million increase in obligation for retiree health benefits and an approximately $96 million increase in current working capital liabilities (e.g. accounts payable and accrued salaries).

Debt, including commercial paper, grew by $138 million, remaining near $3.4 billion at the end of 2014. Capital assets are financed from a variety of sources, including equity contributions, federal and state support, revenue bonds, bank loans and leases. Commercial paper provides interim financing for capital assets during the construction period. UCLA's debt, which is used to finance capital assets, includes $208 million of commercial paper outstanding at the end of 2014 and $192 million of commercial paper outstanding at the end of 2013.

In 2014, General Revenue Bonds of $504 million were issued to finance and refinance certain UCLA facilities and projects. Reductions to outstanding debt in 2014 were $451 million, including $378 million for one-time principal payments for the refinancing or refunding of previously outstanding debt and $73 million in principal payments and amortizations.

In 2014, the University's General Revenue Bond ratings were changed by Moody's Investors Service from Aa1 to Aa2 and by Fitch Ratings from AA+ to AA. The University's Limited Project Revenue Bonds and Medical Center Pooled Revenue Bonds were changed by Moody's Investors Service from Aa2 to Aa3 and by Fitch Ratings from AA to AA-.

Obligations to UCRP and for retiree health benefits – The University has a financial responsibility for pension benefits associated with its defined benefit plans and for retiree health benefits. UCLA's 2013 financial statements have been restated for new accounting standards, and accordingly, the University's pension obligation was $1.7 billion and $2.6 billion in 2014 and 2013, respectively. The change in net pension liability has been primarily driven by the investment performance of the UCRP investment portfolio. UCRP's total investment rate of return was 17.4 percent in 2014 and 11.7 percent in 2013. The discount rate used to estimate the net pension liability for both June 30, 2014 and 2013 was 7.5 percent.

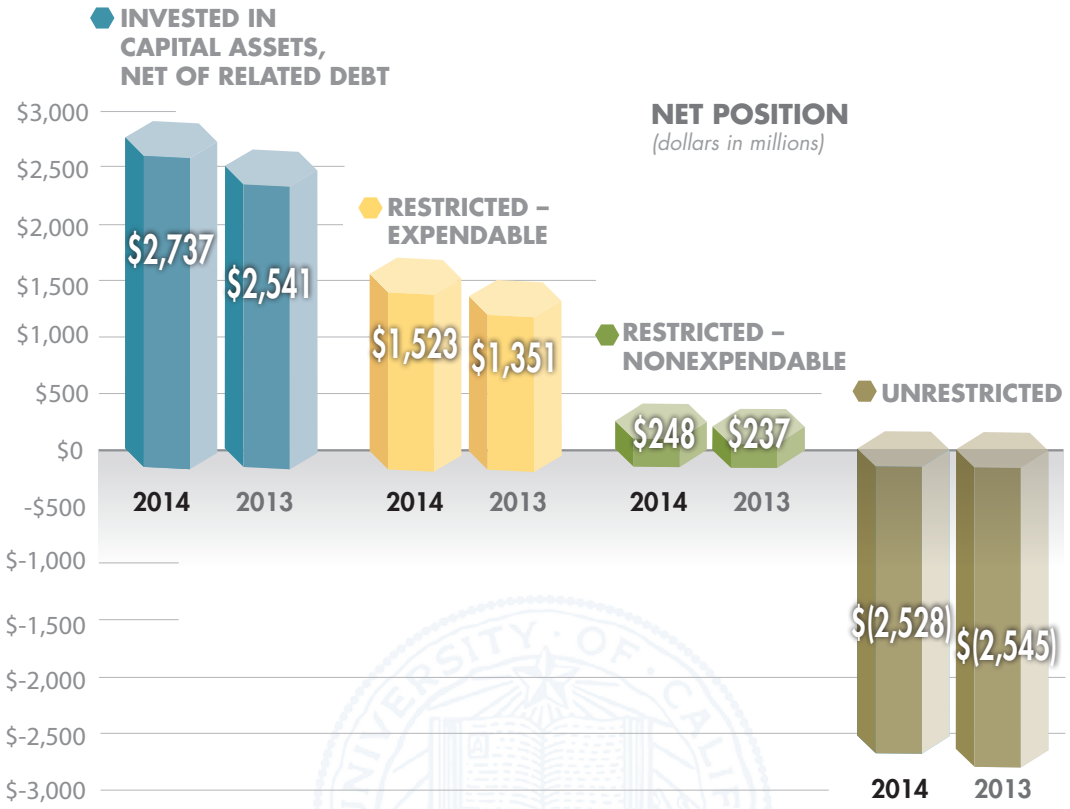
The University's obligation for retiree health benefits is based upon an actuarial determination of the annual retiree health benefit expense. The University funds the retiree health expense through University of California Retiree Health Benefit Trust (UCRHBT) based upon a projection of benefits on a pay-as-you-go basis. Increases of $221 million and $286 million, respectively, for 2014 and 2013 in the obligation for retiree health benefits are due to the impact of amortizing the UCLA's unfunded obligation. The unfunded liability for UCLA as of July 1, 2013 actuarial valuation was $3.3 billion, and as of July 1, 2012 actuarial valuation was $3.6 billion.

Other liabilities include federal refundable loans, accrued vacation and derivative instruments. Other liabilities were $1.3 billion for both 2014 and 2013.

Deferred Inflows of Resources

Deferred inflows of resources encompass changes in the net pension liability. Deferred inflows of resources in 2014 increased by $643 million due to higher than expected earnings on pension investments.

The Campus' Net Position



Net position represents the residual interest in UCLA's assets and deferred outflows after all liabilities are deducted. During the year, the campus' net position increased by $396 million, bringing the year-end total to $2.0 billion. Net position is reported in four major categories: invested in capital assets, net of related debt; restricted nonexpendable; restricted expendable; and unrestricted.

The portion of net position invested in capital assets, net of accumulated depreciation and related outstanding debt used to finance the acquisition, construction or improvement of these capital assets, was $2.7 billion in 2014, an increase of $196 million over 2013 as the campus continues to invest in its physical facilities.

Restricted, nonexpendable net position includes the corpus of UCLA's permanent endowments and the estimated fair value of certain planned giving arrangements. In 2014 and 2013, the increases in restricted nonexpendable net position were principally due to investment performance in excess of the income distribution.

Restricted, expendable net position, which totaled $1.5 billion in 2014 and $1.4 billion in 2013, is subjected to externally imposed restrictions governing their use. Net position may be spent only in accordance with the restrictions placed upon them and may include endowment income and gains, subject to the University's spending policy; support received from gifts, appropriations or capital projects; trustee-held investments; or other third party receipts. The increases or decreases in restricted, expendable funds are principally due to unrealized appreciation or depreciation, respectively, in the fair value of investments related to restricted gifts and funds functioning as endowments.

Under generally accepted accounting principles, net position that is not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Although unrestricted net position is not subject to externally imposed restrictions, substantially all of the net position is allocated for academic and research initiatives or programs and for capital and other purposes. As of June 30, 2014 and 2013, the unrestricted net position is in a deficit position at $2.5 billion.

THE CAMPUS' RESULTS OF OPERATIONS

The statement of revenues, expenses and changes in net position is a presentation of the campus' operating results for the fiscal year. It indicates whether the financial condition has improved or deteriorated. In accordance with GASB requirements, certain significant revenues relied upon and budgeted for fundamental operational support of the core instructional mission of the campus, including state educational appropriations, private gifts and investment income, are required to be recorded as non-operating revenues.

Below is a summarized comparison of the operating results for 2014 and 2013, arranged in a format that matches the revenue supporting the core activities of UCLA with the expenses associated with core activities:

	YEAR ENDED JUNE 30, 2014			YEAR ENDED JUNE 30, 2013		
(dollars in millions)	Operating	Nonoperating	Total	Operating	Nonoperating	Total
REVENUES						
Student tuition and fees, net	$ 653	$ -	$ 653	$ 621	$ -	$ 621
State educational appropriations	-	452	452	-	408	408
Pell Grants		48	48	-	43	43
Grants and contracts, net	857	-	857	897	-	897
Sales and services, net	3,309	-	3,309	3,143	-	3,143
Private gifts, net	-	268	268	-	255	255
Investment income, net	-	48	48	-	72	72
Other revenues, net	111	22	133	111	63	174
Revenues supporting core activities	**4,930**	**838**	**5,768**	**4,772**	**841**	**5,613**
EXPENSES						
Salaries and benefits	4,041	-	4,041	4,217	-	4,217
Scholarships and fellowships	27	-	27	36	-	36
Utilities	55	-	55	53	-	53
Supplies and materials	628	-	628	548	-	548
Depreciation and amortization	334	-	334	293	-	293
Interest expense	-	120	120	-	136	136
Other expenses	927	6	933	886	6	892
Expenses associated with core activities	**6,012**	**126**	**6,138**	**6,033**	**142**	**6,175**
Income (loss) from core activities	**(1,082)**	**712**	**(370)**	**(1,261)**	**699**	**(562)**
OTHER NONOPERATING ACTIVITIES						
Net appreciation in fair value of investments			402			133
Income (loss) before other changes in net position			32			(429)
OTHER CHANGES IN NET POSITION						
State capital appropriations			12			16
Capital gifts and grants			94			36
Permanent endowments			16			17
Transfers to core activities			242			111
Increase in net position			**396**			**(249)**
NET POSITION						
Beginning of year, as previously reported			4,531			4,472
Cumulative effect of accounting change			(2,947)			(2,639)
Beginning of year, as restated			1,584			1,833
End of year			**$ 1,980**			**$ 1,584**

Revenues Supporting Core Activities

Revenues to support UCLA's core activities, including those classified as nonoperating revenues, grew from $5.6 billion in 2013 to $5.8 billion in 2014, an increase of $141 million.

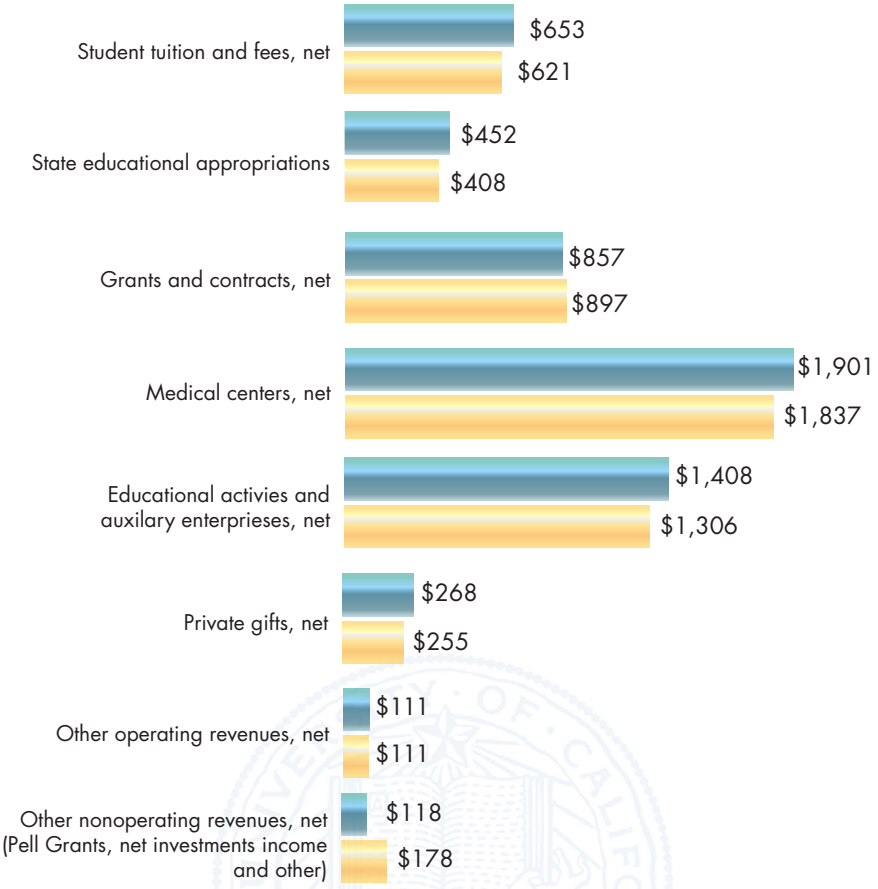
State of California educational appropriations, in conjunction with student tuition and fees, are the core components that support the instructional mission of UCLA. Grants and contracts provide opportunities for undergraduate and graduate students to participate in basic research alongside some of the most prominent researchers in the country. Gifts to the campus allow crucial flexibility to faculty for support of their fundamental activities or new academic initiatives. Sales and service revenue includes the UCLA Health System, educational activities and auxiliary enterprises such as student housing, food services operations and parking.

Revenues in the various categories have increased and decreased over the last year as follows:

REVENUES

2014 **2013**

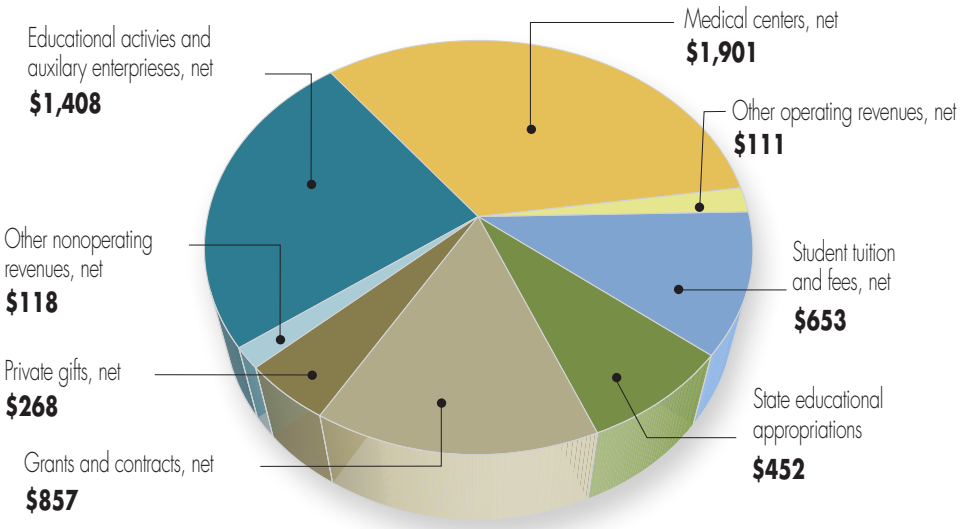
(dollars in millions)



A major financial strength of UCLA includes a diverse source of revenues, including those from student fees, federally sponsored grants and contracts, medical centers, the State of California, private support and self-supporting enterprises. The variety of fund sources has become increasingly important over the past several years, given the effects of the state's financial crisis that required reductions in both instructional and non-instructional programs.

The following graph displays the categories of both operating and nonoperating revenues that support core activities, as of June 30, 2014:

REVENUES
2014
(dollars in millions)



Student tuition and fees revenue, net of scholarship allowances, increased $32 million in 2014 and accounts for 11.0 percent of UCLA's revenue. Consistent with past practices, approximately one-third of the revenue generated from these fee increases was used for financial aid to mitigate the impact on low-income students, which resulted in the 3.0 percent increase in scholarship allowances.

Student Tuition and Fees, net *(dollars in millions)*	**2014**	**2013**	**Change**
Student tuition and fees	$ 782	$ 740	$ 42
Summer Sessions	48	47	1
University Extension	83	81	2
Scholarship allowance	(260)	(247)	(13)
Total	**$ 653**	**$ 621**	**$ 32**

The student enrollment increased 2.0 percent on a year-over-year basis, with enrolled students of 42,190 and 41,341 in the fall of 2014 and 2013, respectively. Undergraduate and graduate mandatory tuition and fees increased 3.0 percent for residents and 1.3 percent for non-residents in 2014 as the Mandatory Medical Insurance Fee increased. Professional degree supplemental tuition varies by discipline, and all programs increased supplemental tuition at various levels in 2014 and 2013.

State educational appropriations from the State of California were $452 million and $408 million in 2014 and 2013, respectively, which accounts for 8.0 percent of UCLA's revenue. State education appropriations increased in 2014 by $44 million as a result of tax initiatives approved by the voters of California in November 2012. The University did not raise tuition in fall 2013 in connection with the passage of these tax initiatives.

Grants and contracts, net that were received from federal, state, private and local sources, including an overall facilities and administration cost recovery of $175 million and $184 million in 2014 and 2013, respectively, accounted for 15.0 percent of UCLA's revenue. Awarded grants and contract dollars increased by $79 million, growing from $894 million in 2013 to $973 million in 2014.

Federal grant and contract revenue decreased $48 million from 2013, which is primarily attributed to expiring federal grants and contracts funded from federal economic stimulus funds made available by the American Recovery and Reinvestment Act (ARRA) and federal budget cuts that have slowed the growth in federal grants and contracts.

Grants and Contracts *(dollars in millions)*	**2014**	**2013**	**Change**
Federal government	$ 558	$ 606	$ (48)
State agencies	47	52	(5)
Private industries	200	195	5
Local government	52	44	8
Total	**$ 857**	**$ 897**	**$ (40)**

State agencies' grant and contract revenue decreased $5 million from 2013, primarily due to state-appropriations grants, including AIDS research, Subject Matter projects and financial aid, which are now paid for from state educational appropriations.

Sales and services, net represents revenue from UCLA Health Systems, educational activities and auxiliary enterprises.

Sales and Services *(dollars in millions)*	**2014**	**2013**	**Change**
UCLA Health System	$ 1,901	$ 1,837	$ 64
Educational activities	1,058	965	93
Auxiliary enterprises, net	350	341	9
Total	**$ 3,309**	**$ 3,143**	**$ 166**

The UCLA Health System revenues, net of allowances, increased $64 million and $99 million in 2014 and 2013, respectively. The revenue growth for 2014 is primarily due to increases in contract rates, and Medicare and contract volume. The medical center received no additional reimbursements related to the Federal Medicaid Assistance Percentage contained in the American Reinvestment and Recovery Act for poor and indigent patients as of June 30, 2014, compared to $9 million as of June 30, 2013. In response to health care reform and increasing pension contributions, the medical center continues to invest in expanding services and achieving efficiencies to maintain operating margins.

Revenue from education activities, primarily physicians' professional fees, net of allowances, grew by 10.0 percent or $93 million in 2014. The growth is generally associated with an expanded patient base and higher rates from third-party payors. Sales from auxiliary enterprises, including on-campus student housing, off-campus housing, intercollegiate athletics, ASUCLA's bookstore and parking services, increased 3.0 percent or $9 million.

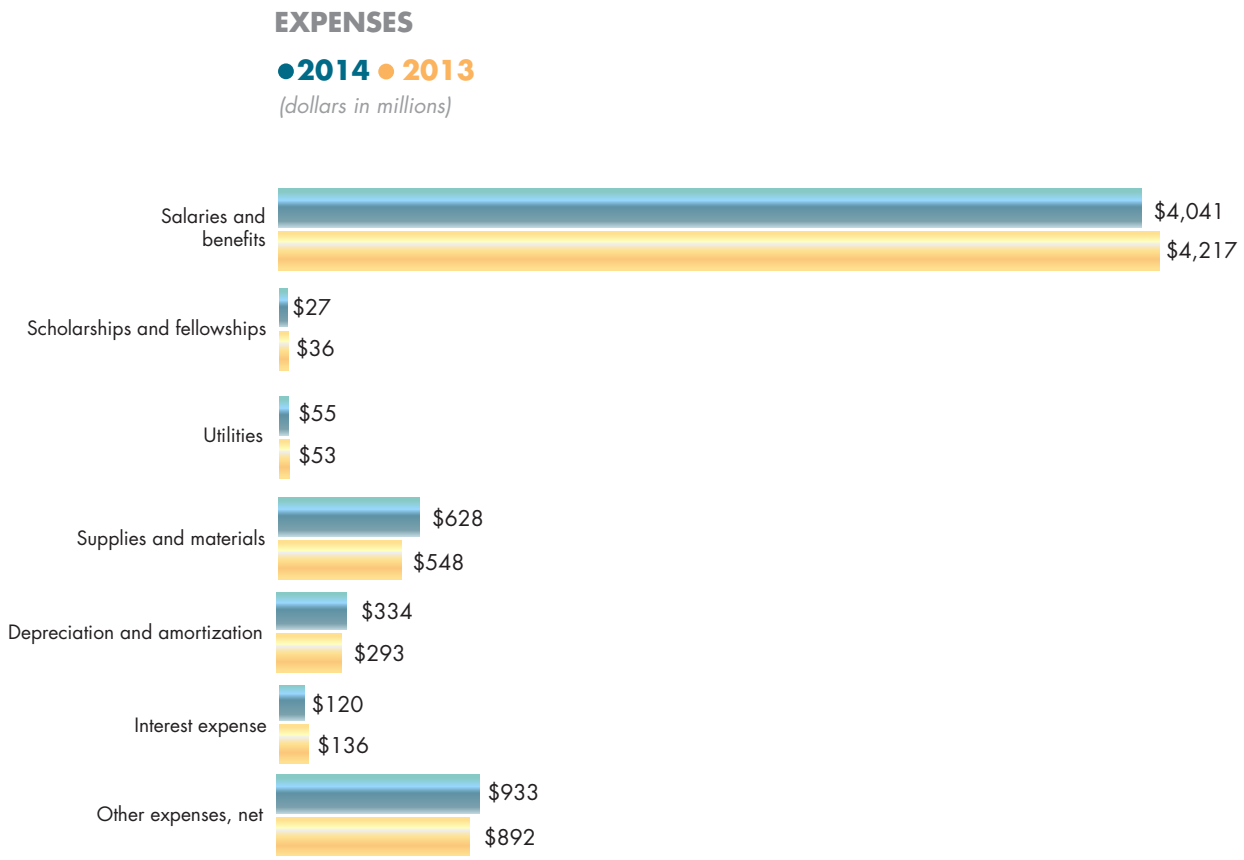
Private gifts revenue, considered nonoperating revenue, either comes directly from the donor or is held by The UCLA Foundation or Jonsson Cancer Center Foundation until transferred to the campus for use.

These funds generally are restricted to uses designated by the donor. In 2014, revenues totaled $268 million, representing a $13 million increase from 2013. Approximately 72.0 percent of these gifts came through The UCLA Foundation for various campus needs. The largest gift received by the campus during 2014 and 2013 was for the Terasaki Life Science Building.

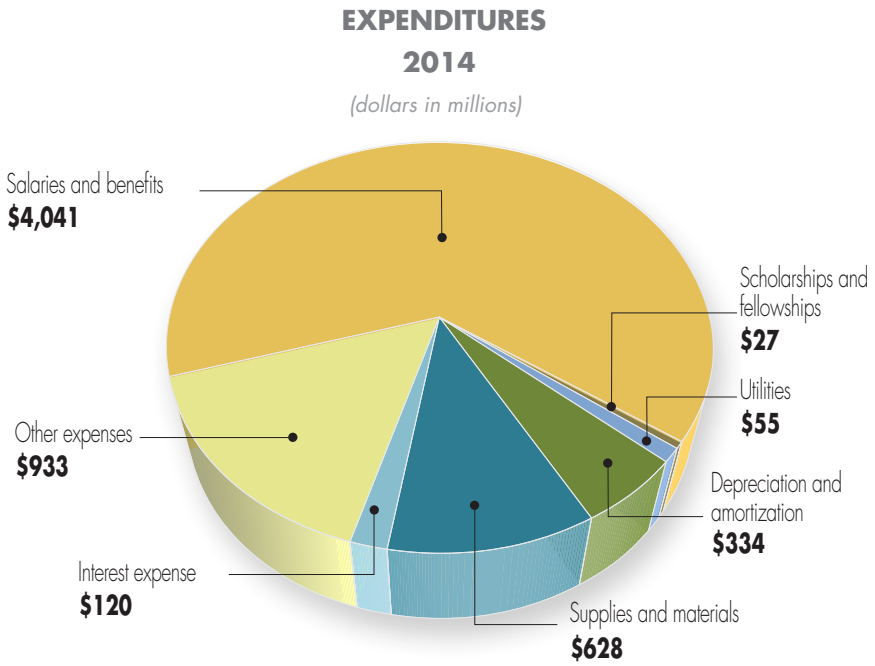
Expenses Associated with Core Activities

UCLA's expenses associated with core campus activities for 2014, including those classified as nonoperating expenses, totaled approximately $6.1 billion, down $37 million from approximately $6.2 billion in 2013. This decrease is primarily due to a $176 million decrease in salaries and benefits expenses partially offset by $80 million of higher supplies and materials expenses and $41 million of higher depreciation and amortization expenses.

Expenses in the various categories over the last two years are as follows:



The categories of both operating and nonoperating expenses that support core activities, as of June 30, 2014:



Salaries and benefits cover over 43,000 employees filling approximately 32,000 full-time-equivalent (FTE) positions, a 3.0 percent increase over the prior year. Over 66.0 percent of UCLA's expenses are related to salaries and benefits, which decreased by $176 million in 2014. The decrease for pensions was driven by favorable market returns for pension assets. These favorable results were offset by several other factors, including salaries, wages, and other employee benefits. Salaries and wages increased $92 million or 3.0 percent due to a 2.0 percent increase in the number of FTEs and a 1.0 percent increase in the average salary per FTE. Employee benefits, excluding pension and post-retirement health care benefits, increased by $26 million or 5.0 percent due to higher health insurance costs.

Scholarships and fellowships, representing payments of financial aid made directly to students and reported as an operating expense, decreased $9 million for 2014, from $36 million in 2013 to $27 million in 2014. However, scholarship allowances, representing financial aid and fee waivers awarded by the campus, also forms of scholarship and fellowship costs, increased in 2014 by $19 million, from $292 million in 2013 to $311 million in 2014. These scholarship allowances are reported as an offset to revenue, not as an operating expense. On a combined basis, as the campus continues its commitment to provide financial support for low income students, the campus financial aid, in all forms, grew to $338 million in 2014 from $329 million in 2013, an increase of $9 million or 3.0 percent. UCLA places a high priority on student financial aid as part of its commitment to affordability.

Supplies and materials increased by $80 million or 15.0 percent during 2014, primarily due to inflationary pressure on the costs for medical supplies and laboratory instruments, and increased medical patient volumes. The University continues to find opportunities to manage the costs of supplies and materials.

Other expenses associated with core activities, with an increase of $41 million for 2014, consists of a variety of expense categories, including travel, rent, insurance, repairs and maintenance, plus any gain or loss on the disposal of capital assets and other nonoperating expenses.

Operating losses, in accordance with the GASB's reporting standards, were $1.1 billion in 2014 and $1.3 billion in 2013. The operating loss in 2014 was partially offset by $712 million of net revenue that is required by the GASB to be classified as nonoperating, but clearly supports core operating activities of the University. Expenses associated with core activities in 2014 exceeded revenue available to support core activities by $370 million.

The operating loss in 2013 was partially offset by $699 million of net revenue that is required by the GASB to be classified as nonoperating, but clearly supports core operating activities of the University. Expenses associated with core activities in 2013 exceeded revenue available to support core activities by $562 million.

Other Nonoperating Activities

UCLA's other nonoperating activities, consisting of net appreciation or depreciation in the fair value of investments, are noncash transactions and, therefore, not available to be used to support operating expenses.

Net appreciation (depreciation) in fair value of investments resulted in net appreciation of $402 million in 2014, compared to net appreciation of $133 million during 2013. Equity and bond markets have been volatile over the last two years. The University's portfolio showed positive performance due to strong returns in both the equity and bond markets.

Other Changes in Net Position

Similar to the other nonoperating activities discussed above, other changes in net position are also not available to support UCLA's operating expenses in the current year. State capital appropriations and capital gifts and grants may only be used for the purchase or construction of the specified capital assets. Only income earned from gifts of permanent endowments is available in future years to support the specified program.

UCLA's enrollment growth requires new facilities, in addition to continuing needs for renewal, modernization and seismic correction for existing facilities. Capital appropriations from the State of California decreased by $4 million in 2014. Capital appropriations are from bond measures approved by the California voters.

THE CAMPUS' CASH FLOWS

The statement of cash flows presents the significant sources and uses of cash.

A summary comparison of cash flows for 2014 and 2013 is as follows:

Cash Flow *(dollars in millions)*	**2014**	**2013**	**Change**
Cash received from operations	$ 4,960	$ 4,588	$ 372
Cash payments for operations	(5,358)	(4,883)	(475)
Net cash used by operating activities	**(398)**	**(295)**	**(103)**
Net cash provided by noncapital financing activities	839	785	54
Net cash provided by operating and noncapital financing activities	**441**	**490**	**(49)**
Net cash (used) by capital and related financing activities	(405)	(548)	143
Net cash provided (used) by investing activities	(116)	111	(227)
Net increase (decrease) in cash and cash equivalent	**(80)**	**53**	**(133)**
Cash and cash equivalent, beginning of year	851	798	53
Cash and cash equivalent, end of year	**$ 771**	**$ 851**	**$ (80)**

UCLA's cash in demand-deposit accounts is minimized by sweeping available cash balances into investment accounts managed by the Office of the President on a daily basis. Cash provided by operating and noncapital financing activities ranged between $441 million and $490 million for the last two years. In accordance with GASB requirements, certain cash flows relied upon for fundamental operational support of the core instruction mission of the campus are reported as noncapital financing activities, including state educational appropriations, private gifts and grants, and investment income.

Net cash of $405 million was used in 2014 for capital and related financing activities, primarily for purchases of capital assets and principal and interest payments, partially offset by sources that include new external financing, state and federal capital appropriations, and gifts for capital purposes.

The year-to-year change in cash provided (used) by investing activities is largely the result of routine timing of investment purchases, sales and, to a lesser extent, investment income.

LOOKING FORWARD

UCLA, as part of the University of California system, is a world center of learning, known for generating a steady stream of talent, knowledge and social benefits, and has always been at the center of California's capacity to innovate. The excellence of its programs attracts the best students, leverages hundreds of millions of dollars in state, federal and private funding and promotes discovery of new knowledge that fuels economic growth.

The University's variety of funding sources has become increasingly important over the past several years, given the effects of the state financial crisis. In June 2013, the Legislature approved the governor's 2014 budget recommendation for a multi-year funding plan that will provide an annual base budget increase beginning with 5.0 percent in 2014, another 5.0 percent in 2015, 4.0 percent in 2016 and another 4.0 percent in 2017. This multi-year funding plan is intended to provide all UC campuses with fiscal stability after five years of severe reductions in state educational appropriations. In exchange for this long-term stability, the University commits to focus its resources to address long-term accountability goals for accessibility, student fees, financial aid and performance outcome measures.

UCLA remains highly competitive in attracting federal grants and contracts revenue, with fluctuations in the awards received closely paralleling trends in the budgets of federal research granting agencies. Over two-thirds of UCLA's federal research revenue comes from two agencies, the Department of Health and Human Services, primarily through the National Institutes of Health, and the National Science Foundation. While the federal government works through its own financial constraints, there is a bipartisan effort underway to focus on innovation and competitiveness for the nation. UCLA is a national resource for helping the nation address competitiveness and economic initiatives.

Currently, the University does not pre-fund retiree health benefits and provides for benefits on a pay-as-you-go basis. The unfunded liability for UCLA as of the July 1, 2013 actuarial valuation was $2 billion. The Regents approved a new eligibility formula for the Retiree Health Plan for all employees hired on or after July 1, 2013, and non-grandfathered members, that is based on a graduated formula using both a member's age and years of Retirement Plan service credit upon retirement, subject to collective bargaining for represented members.

The UC Retirement Plan (UCRP) costs are funded by a combination of investment earnings, employee member contributions, and employer contributions. The unfunded liability for UCLA as of July 1, 2013 actuarial valuation was $1.8 billion or 80.0 percent funded. Total funding policy contributions in the July 1, 2014 actuarial valuation represents 29.0 percent of covered compensation in July 2013. Member contributions for the employees in the new benefit tier are 7.0 percent, and the employer rate is uniform across all members. On July 1, 2014 employer contributions increased to 14.0 percent and employee contributions to 8.0 percent. In July 2014, The Regents authorized additional contributions of $700 million to UCRP, representing the difference between the contribution rates and the funding requirements, to improve the Plan's funded status. The additional $700 million contribution to UCRP is projected to result in a 95.0 percent funded status by July 1, 2042.

The UCLA Health System has demonstrated very positive financial results, although it continues to face financial and competitive challenges in its regional market, along with the added costs and responsibilities related to the function as an academic institution. The demand for health care services and the cost of providing them continue to increase significantly. In addition to the rising costs of salaries, benefits and medical supplies faced by hospitals across the state, along with the costs of maintaining and

upgrading facilities, UCLA's medical center also faces additional costs associated with new technologies, biomedical research, the education and training of health care professionals and the care for a disproportionate share of the medically underserved in California. Other than Medicare and Medi-Cal (California's Medicaid program), health insurance payments do not recognize the added cost of teaching in their payment to academic medical centers. The growth in costs of the publicly funded programs and health care reform will likely continue to reduce rates or limit payment growth, placing downward pressure on operating results for the medical centers.

UCLA must have a balanced array of many categories of facilities to meet its education, research and public service goals and continues to assess its long-term capital requirements. The support for UCLA's capital program will be provided from a combination of sources, including the State of California, external financing, gifts and other sources.

Additional budget information can be found at: http://universityofcalifornia.edu/news/budget/welcome.html. Additional information concerning state budget matters and the state's financial condition may be found on the website of the State of California Department of Finance at http://www.dof.ca.gov.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information provided by UCLA, including written as outlined above or oral statements made by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts—which address activities, events or developments that UCLA expects or anticipates will or may occur in the future—contain forward-looking information.

In reviewing such information, it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and was derived using various assumptions. UCLA does not undertake to update forward-looking information contained in this report or elsewhere to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking information.

UCLA

Orchestra from the UCLA Herb Alpert School of Music.

TRANSMITTAL LETTER

The accompanying Financial Statements reflect the financial position and the results of operations of the University of California, Los Angeles (UCLA), for the fiscal years ended June 30, 2014 and 2013.

The UCLA Financial Statements are not individually audited, but rather are audited as part of the Consolidated Annual Financial Report of the University of California by the firm of KPMG, whose report is transmitted to The Regents.

The accompanying Financial Statements and Management's Discussion and Analysis detail only local campus activity. This separate UCLA Annual Financial Report, while not separately audited, is prepared from the official University of California records and accounts, which are maintained in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB).

In compliance with GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units, the financial activity of the legally separate, tax-exempt UCLA Foundation and the Jonsson Cancer Center Foundation can be found discretely recorded on the campus' financial statements under a separate column titled "Foundations."

Respectfully submitted,

Allison Baird-James
Associate Vice Chancellor/Controller
Corporate Financial Services

UCLA

UNIVERSITY OF CALIFORNIA, LOS ANGELES

STATEMENT OF NET POSITION

At June 30, 2014 and 2013 *(dollars in thousands)*

	CAMPUS		FOUNDATIONS	
	2014	**2013**	**2014**	**2013**
ASSETS				
Cash	$ 18,569	$ 22,067	$ 2,605	$ 2,109
Short-term investments	752,550	829,387	278,144	255,173
Investments held by trustees	160	157	-	-
Accounts receivable, net	761,709	784,889	7,474	6,776
Pledges receivable, net	7,562	4,998	110,532	40,522
Current portion of notes and mortgages receivable, net	7,111	6,912	-	-
Inventories	55,758	51,455	-	-
Other current assets	51,436	44,452	27	28
Current assets	**1,654,855**	**1,744,317**	**398,782**	**304,608**
Investments	4,163,519	3,609,426	1,774,523	1,576,783
Investments held by trustees	-	3	-	-
Pledges receivable, net	7,374	5,927	344,893	300,004
Notes and mortgages receivable, net	77,263	76,256	-	-
Capital assets, net	5,757,042	5,447,734	22,749	22,568
Other noncurrent assets	34,157	16,000	10,185	9,471
Noncurrent assets	**10,039,355**	**9,155,346**	**2,152,350**	**1,908,826**
Total assets	**$ 11,694,210**	**$ 10,899,663**	**$ 2,551,132**	**$ 2,213,434**
DEFERRED OUTFLOW OF RESOURCES	**871,060**	**$ 1,124,710**	**$ -**	**$ -**
LIABILITIES				
Accounts payable	$ 377,022	$ 335,189	$ 6,929	$ 5,152
Accrued salaries and benefits	287,549	271,098	-	-
Deferred revenue	263,776	231,990	-	-
Commercial paper restated	207,809	191,971	-	-
Current portion of long-term debt	77,626	84,665	-	-
Funds held for others	-	-	215,937	198,495
Other current liabilities	128,871	131,909	5,128	5,232
Current liabilities	**1,342,653**	**1,246,822**	**227,994**	**208,879**
Federal refundable loans	56,923	56,803	-	-
Obligations under life income agreements	-	-	33,646	34,505
Long-term debt	3,148,998	3,019,841	-	-
Obligation to UCRP	1,748,019	2,602,806	-	-
Pension payable to UCOP	494,366	495,467	-	-
Obligation for retiree health benefits	2,030,689	1,809,687	-	-
Other noncurrent liabilities	195,331	283,356	-	-
Noncurrent liabilities	**7,674,326**	**8,267,960**	**33,646**	**34,505**
Total liabilities	**$ 9,016,979**	**$ 9,514,782**	**$ 261,640**	**$ 243,384**
DEFERRED INFLOW OF RESOURCES	**1,568,701**	**$ 926,016**	**$ -**	**$ -**
NET POSITION				
Invested in capital assets, net of related debt	**$ 2,736,534**	**$ 2,540,742**	**$ -**	**$ -**
Restricted:				
Nonexpendable:				
Endowments	247,900	237,011	868,783	778,924
Annuity and life income funds	40	39	24,003	18,195
Expendable:				
Endowments	486,635	396,806	237,750	174,297
Annuity and life income funds	455	378	17,332	13,975
Funds functioning as endowment	755,148	644,955	462,822	417,713
Endowment income	64,693	61,680	-	-
Gifts	214,329	206,291	572,431	452,759
Loans	38,079	38,410	-	-
Capital projects	(35,211)	(1,533)	-	-
Debt service	(6,289)	2,184	-	-
Appropriations	1,863	1,264	-	-
Other	3,500	647	2,681	1,889
Total restricted	**1,771,142**	**1,588,132**	**2,185,802**	**1,857,752**
Unrestricted (deficit)	**(2,528,087)**	**(2,545,299)**	**103,690**	**112,244**
Total net position	**$ 1,979,589**	**$ 1,583,575**	**$ 2,289,492**	**$ 1,969,996**

See accompanying Notes to Financial Statements.

UCLA

UNIVERSITY OF CALIFORNIA, LOS ANGELES

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years ended June 30, 2014 and 2013 *(dollars in thousands)*	CAMPUS		FOUNDATIONS	
	2014	2013	2014	2013
OPERATING REVENUES				
Student tuition and fees, net	$ 653,012	$ 621,099	$ -	$ -
Grants and contracts:				
Federal	558,592	605,452	-	-
State	46,621	52,215	-	-
Private	200,231	195,274	-	-
Local	51,815	43,977	-	-
Sales and services:				
Medical centers	1,901,030	1,836,854	-	-
Educational activities	1,058,023	965,128	-	-
Auxiliary enterprises, net	349,866	341,086	-	-
Private gifts	-	-	284,479	265,625
Other operating revenues, net	111,146	111,152	104	107
Total operating revenues	**4,930,336**	**4,772,237**	**284,583**	**265,732**
OPERATING EXPENSES				
Salaries and wages	2,825,923	2,733,882	-	-
UCRP benefits	326,695	572,912	-	-
Retiree health benefits	315,162	362,660	-	-
Benefits	573,312	547,217	-	-
Scholarships and fellowships	26,918	36,483	-	-
Utilities	54,869	52,900	-	-
Supplies and materials	627,811	547,950	-	-
Depreciation and amortization	333,971	293,149	-	-
Campus foundation grants	-	-	236,658	273,513
Other operating expenses	927,426	886,231	2,067	1,940
Total operating expenses	**6,012,087**	**6,033,384**	**238,725**	**275,453**
Operating income (loss)	**(1,081,751)**	**(1,261,147)**	**45,858**	**(9,721)**
NONOPERATING REVENUES (EXPENSES)				
State educational appropriations	452,302	407,887	-	-
State financing appropriations	47	30,998	-	-
Build America Bonds federal interest subsidies	10,214	11,057	-	-
State hospital fee grant	1,558	3,293	-	-
Federal Pell Grants	48,473	43,508	-	-
Private gifts	267,997	254,680	-	-
Investment income			39,884	45,262
Short Term Investment Pool	47,833	71,869	-	-
Endowment, net	-	-	-	-
Net appreciation in fair value of investments	402,356	132,813	158,386	151,799
Interest expense	(120,221)	(136,389)	-	-
Gain (loss) on disposal of capital assets, net	8,454	(5,410)	-	-
Other nonoperating revenues (expenses)	(5,632)	17,926	1,368	(1,823)
Net nonoperating revenues	**1,113,381**	**832,232**	**199,638**	**195,238**
Income gain (loss) before other changes in net position	**31,630**	**(428,915)**	**245,496**	**185,517**
OTHER CHANGES IN NET POSITION				
State capital appropriations	12,420	16,099	-	-
Capital gifts and grants	94,104	35,965	-	-
Permanent endowments	15,914	17,020	74,000	53,572
Transfers	241,946	111,290	-	-
Increase (decrease) in net assets	**396,014**	**(248,541)**	**319,496**	**239,089**
NET POSITION				
Beginning of year as previously reported	4,530,693	4,471,516	1,969,996	1,753,394
Cumulative effect of accounting change	(2,947,118)	(2,639,400)	-	(22,487)
Beginning of year restated	1,583,575	1,832,116	1,969,996	1,730,907
End of year	**$ 1,979,589**	**$ 1,583,575**	**$ 2,289,492**	**$ 1,969,996**

See accompanying Notes to Financial Statements.

UNIVERSITY OF CALIFORNIA, LOS ANGELES

TRANSFERS

Years ended June 30, 2014 and 2013 *(dollars in thousands)*

	2014	2013
Current (to)/from retirement of indebtedness	$ (47)	$ (91)
Current:		
Intercampus	81,007	42,956
Interfund	-	97
Unexpended plant	111,212	124,608
Retirement of indebtedness	49,525	(55,457)
Investment in plant:		
Intrafund transfer assets	430	232
Intrafund transfer depreciation	(307)	(1,184)
Loan	126	129
Total transfers	**$ 241,946**	**$ 111,290**

See accompanying Notes to Financial Statements.

UCLA

UNIVERSITY OF CALIFORNIA, LOS ANGELES

STATEMENT OF CASH FLOWS

Years ended June 30, 2014 and 2013 *(dollars in thousands)*	CAMPUS		FOUNDATIONS	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Student tuition and fees, net	$ 640,873	$ 615,204	$ -	$ -
Grants and contracts	833,564	897,919	-	-
Receipts from sales and services of:				
Medical centers	1,953,107	1,708,394	-	-
Educational activities	1,070,726	926,388	-	-
Auxiliary enterprises, net	356,764	334,032	-	-
Collection of loans from students and employees	11,613	11,232	-	-
Private gifts	-	-	155,635	146,093
Payments to employees	(2,820,179)	(2,595,086)	-	-
Payments to UCRP	(304,007)	(211,634)	-	-
Payments for retiree health benefits	(68,605)	(52,012)	-	-
Payments for other employee benefits	(574,496)	(541,233)	-	-
Payments to suppliers and utilities	(1,551,371)	(1,401,658)	-	-
Payments for scholarships and fellowships	(26,918)	(36,483)	-	-
Loans issued to students and employees	(11,550)	(14,500)	-	-
Operating expenses and grants	-	-	(237,244)	(275,061)
Other receipts (payments)	76,014	93,133	(3,601)	(3,161)
Intercampus Transfers	(688)	1,682		
Transfers - intercampus	17,579	(30,691)	-	-
Net cash used by operating activities	**(397,574)**	**(295,313)**	**(85,210)**	**(132,129)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State educational appropriations	452,302	407,887	-	-
Federal Pell Grant	48,473	43,508	-	-
State hospital fee grant	1,558	3,293	-	-
Gifts received for other than capital purposes:				
Private gifts for endowment purposes	-	-	62,714	42,244
Other private gifts	263,990	257,449	-	-
Other receipts (payments)	8,785	(1,037)	-	-
Transfers - intercampus	63,554	73,873	-	-
Net cash provided by noncapital financing activities	**838,662**	**784,973**	**62,714**	**42,244**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Commercial paper financing				
Proceeds from issuance	145,021	58,891	-	-
Payments of principal	(129,183)	(31,440)		
Interest paid	(280)	(356)	-	-
State capital appropriations	11,512	15,554	-	-
State financing appropriations	(7,403)	23,623	-	-
Build America Bonds federal interest subsidies	10,317	10,637	-	-
Capital gifts and grants	31,410	49,154	-	-
Proceeds from debt issuance	633,622	717,248	-	-
Proceeds from the sale of capital assets	13,035	5,594	-	-
Purchases of capital assets	(750,984)	(553,654)	-	-
Refinancing/prepayment of outstanding debt	(286,105)	(739,592)	-	-
Principal paid on debt and capital leases	(71,988)	(89,930)	-	-
Interest paid on debt and capital leases	(114,034)	(138,926)	-	-
Transfers	109,797	125,113	-	-
Net cash used by capital and related financing activities	**(405,263)**	**(548,084)**	**-**	**-**
CASH FLOWS FROM INVESTING ACTIVITIES				
Net (purchases)/proceeds from sales and maturities of investments	(163,993)	17,283	7,722	67,255
Investment income, net of investment expenses	47,833	94,160	15,270	23,421
Net cash provided (used) by investing activities	**(116,160)**	**111,443**	**22,992**	**90,676**
Net increase (decrease) in cash and cash equivalents	**(80,335)**	**53,019**	**496**	**791**
Cash and cash equivalents, beginning of year	851,454	798,435	2,109	1,318
Cash and cash equivalents, end of year	**$ 771,119**	**$ 851,454**	**$ 2,605**	**$ 2,109**

See accompanying Notes to Financial Statements.

The UCLA men's basketball team celebrates their win in the 2014 PAC-12 Tournament.

All photography courtesy of UCLA Athletics

NOTES TO FINANCIAL STATEMENTS

Years ended June 30, 2014 and 2013

ORGANIZATION/FINANCIAL REPORTING ENTITY

The University of California (the University) was founded in 1868 as a public, state-supported institution. The California State Constitution provides that the University shall be a public trust administered by the corporation "The Regents of the University of California," which is vested with full powers of organization and government, subject only to such legislative control necessary to ensure the security of its funds and compliance with certain statutory and administrative requirements. The majority of the 26-member independent governing board (The Regents) is appointed by the governor and approved by the state Senate. Various University programs and capital outlay projects are funded through appropriations from the state's annual Budget Act. The University's financial statements are discretely presented in the state's general purpose financial statements as a component unit.

The Los Angeles campus of the University of California (UCLA) was founded in 1919 and is financially the largest campus in the 10-campus University of California system. The financial statements included in this annual report present the combined activities of the Los Angeles campus, including the UCLA Medical Center. The University of California system is subjected to an annual audit of the consolidated financial statements, of which UCLA is a part. The financial statements for the Los Angeles campus have not been individually audited.

The Associated Students of UCLA (ASUCLA)'s financial data for the fiscal years ended June 30, 2014 and 2013 has been included in the financial statements in order to reflect total financial activity of the UCLA campus. ASUCLA conducts activities on the UCLA campus pursuant to the Statement of Understanding of ASUCLA's Relationship with the University, dated June 28, 1974.

The UCLA Foundation is a nonprofit, public-benefit corporation organized for the purpose of accepting and administering the full range of private contributions for the campus. The financial activities of the separately incorporated Foundation are not reflected within the campus' records until such time as gifts are transferred from the Foundation to the campus.

The Jonsson Cancer Center Foundation is a 501(c)3 organization established for the purpose of encouraging voluntary private gifts for the benefit of the Jonsson Comprehensive Cancer Center at UCLA. The financial activities of the separately incorporated Foundation are not reflected within the campus' records until such time as gifts are transferred from the Foundation to the campus.

In accordance with the statements of the Governmental Accounting Standards Board (GASB) detailed below, Foundation activity is disclosed on the UCLA financial statements in a separate column.

SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, using the economic resources measurement focus and the accrual basis of accounting. The University follows accounting principles issued by the Governmental Accounting Standards Board (GASB).

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities,* effective for the University's fiscal year beginning July 1, 2013. This Statement reclassifies, as deferred outflows or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as expenses, certain items that were previously reported as assets and liabilities.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62,* effective for the University's fiscal year beginning July 1, 2013. This Statement resolves conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans,* effective for the University's fiscal year beginning July 1, 2013. This Statement revises existing standards for financial reporting for pension plans by changing the approach to measuring the net pension liability. The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. The total pension liability is determined based upon discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year end. Projected benefit payments are required to be discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available. Statement No. 67 affects the information presented in the footnotes to the financial statements and required supplementary information for UCRP.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions,* effective for the University's fiscal year beginning July 1, 2014. The University has elected to early implement this Statement, effective July 1, 2013. This Statement revises existing standards for employer financial statements relating to measuring and reporting pension liabilities for pension plans provided by the University to its employees. This Statement requires recognition of a liability equal to the net pension liability, which is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. The total pension liability is determined based upon discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year end. Projected benefit payments are required to be discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available. This Statement requires that most changes in the net position liability be included in pension expense in the period of the change.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations,* effective for the University's fiscal year beginning July 1, 2014. This Statement establishes standards for accounting and financial reporting of government combinations and disposals of government operations. Government combinations include mergers, acquisitions and transfers of operations of government or nongovernment entities to a continuing government. The Statement includes guidance for measuring the assets and liabilities that are acquired in a combination, either with or without consideration. The provisions of this Statement are applicable on a prospective basis to combinations that occur after the effective date.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees,* effective for the University's fiscal year beginning July 1, 2013. This Statement establishes standards for recording a liability when a government extends a nonexchange financial guarantee for the obligations of another government, a not-for-profit organization, a private entity or an individual without receiving equal or nearly equal value in exchange. As part of the nonexchange financial guarantee, the government commits to indemnify the holder of the obligation if the entity or individual that issued the obligation does not fulfill its payment requirements. This standard requires the government that extends a nonexchange financial guarantee to record a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date,* effective for the University concurrently with the implementation of GASB Statement No. 68. This Statement addresses an issue in Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to the implementation of that Statement by employers and nonemployer contributing entities.

Implementation of Statements Nos. 66, 67, 69, 70 and 71 had no effect on the University's beginning net position. To implement Statement No. 65, the University reclassified losses on debt refundings to deferred outflows of resources and wrote-off unamortized bond issuance costs as of July 1, 2013. To implement Statement No. 68, the University recorded the net pension liabilities for its defined benefit plans. The impact on UCLA's net position as of June 30, 2013 of adopting Statements Nos. 65 and 68 and changes regarding certain charitable trusts discussed below, was as follows:

	UCLA		FOUNDATIONS	
(dollars in thousands)	**2014**	**2013**	**2014**	**2013**
Cumulative effect on net position of:				
Adoption of Statement No. 65	$ (12,916)	$ -	$ -	$ -
Adoption of Statement No. 68	(2,934,202)	(2,572,925)	-	-
Sub Total	**(2,947,118)**	**(2,572,925)**		
Outside Charitable Trusts	-	(66,475)	-	(22,487)
Total	**$ (2,947,118)**	**$ (2,639,400)**	**$ -**	**$ (22,487)**

The University and its affiliated campus foundations periodically receive notification that it has a financial interest in various charitable trusts where the assets are invested and administered by outside trustees. Effective July 1, 2012, the University and its affiliated foundations changed its accounting policy and does not record these gifts until the time requirements have been met and the assets are received. The impact of this change in accounting principle resulted in a reduction to the beginning of the year net position of $66 million for the University and $22 million for the campus foundations for the fiscal year ended June 30, 2013.

The significant accounting policies of UCLA are as follows:

Cash and cash equivalents. UCLA considers all balances in demand deposit accounts to be cash. All other highly liquid cash equivalents are classified as short-term investments.

Investments. Investments are recorded at fair value. Securities are generally valued at the last sale price on the last business day of the fiscal year, as quoted on a recognized exchange or utilizing an industry standard pricing service, when available. Securities for which no sale was reported as of the close of the last business day of the fiscal year are valued at the quoted bid price of a dealer who regularly trades in the security being valued. Certain securities may be valued on a basis of a price provided by a single source.

Investments also include private equities, absolute return funds and real estate. Private equities include venture capital partnerships, buyout and international funds. Fair values for interests in private equity, absolute value partnerships and real estate partnerships are based on valuations provided by the general partners of the respective partnerships. Interests in certain direct investments in real estate are estimated based upon independent appraisals. Because the private equity, real estate and absolute return partnerships, along with direct investments in real estate, are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ significantly from the value that would be used had a ready market for such investment existed.

Investments in registered investment companies are valued based upon the reported net asset value of those companies. Mortgage loans, held as investments, are valued on the basis of their future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Insurance contracts are valued at contract value, plus reinvested interest, which approximates fair value.

Investments denominated in foreign currencies are translated into U.S. dollar equivalents using year-end spot foreign currency exchange rates. Purchases and sales of investments and their related income are translated at the rate of exchange on the respective transaction dates. Realized and unrealized gains and losses resulting from foreign currency changes are included in the University's Statement of Revenues, Expenses and Changes in Net Position.

Investment transactions are recorded on the date the securities are purchased or sold (trade date). Realized gains or losses are recorded as the difference between the proceeds from the sale and the average cost of the investment sold. Dividend income is recorded on the ex-dividend date, and interest income is accrued as earned. Gifts of securities are recorded at estimated fair value at the date of donation.

Funds held by trustees. The University and campus foundations have been named the irrevocable beneficiary for several charitable remainder trusts for which the University and campus foundations are not the trustee. Upon maturity of each trust, the remainder of the trust corpus will be transferred to the University or the campus foundation. These funds cannot be sold, disbursed or consumed until a specified number of years have passed or a specific event has occurred. The University and campus foundations are also an income beneficiary of certain trusts where the assets are invested and administered by outside trustees.

Consistent with the University's and campus foundations' recognition policy for pledges of endowment, receivables and contribution revenue associated with these trusts are not reflected in the accompanying financial statements. The University and campus foundations recognize contribution revenue when all eligibility requirements have been met.

Derivative financial instruments. Derivative instruments are recorded at estimated fair value. Futures contracts, foreign currency exchange contracts, stock rights and warrants, options and swaptions are valued at the last sales price on the last day of the fiscal year, as quoted on a recognized exchange or utilizing an industry standard pricing service, when available. Financial institutions or independent advisors have estimated the fair value of the interest rate swaps and total return swaps using quoted market prices when available or discounted expected future net cash flows.

The University has entered into interest rate swap agreements to limit the exposure of its variable-rate debt to changes in market interest rates. Interest rate swap agreements involve the exchange with a counterparty of fixed- and variable-rate interest payments periodically over the life of the agreement without exchange of the underlying notional principal amounts. The net differential to be paid or received is recognized over the life of the agreements as an adjustment to interest expense. The University's counterparties are major financial institutions.

Derivatives are recorded at estimated fair value as either assets or liabilities in the Statement of Net Position. Certain derivatives are determined to be hedging derivatives and designated as either a fair value or cash flow hedge. Under hedge accounting, changes in the fair value of hedging derivatives are considered to be deferred inflows (for hedging derivatives with positive fair values) or deferred outflows (for hedging derivatives with negative fair values).

Changes in fair value of derivatives that are not hedging derivatives are recorded as net appreciation or depreciation in fair value of investments in the Statement of Revenues, Expenses and Changes in Net Position.

Accounts receivable, net. Accounts receivable, net of allowance for uncollectible amounts, includes reimbursements due from state and federal sponsors of externally funded research, patient billings, accrued income on investments and other receivables. Other receivables include local government and private grants and contracts, educational activities and amounts due from students, employees and faculty for services.

Pledges receivable, net. Unconditional pledges of private gifts to UCLA or the Foundation, net of allowance for uncollectible amounts, are recorded as pledges receivable and revenue in the year promised at the net present value of expected cash flows. Conditional pledges, including all pledges of endowments and intentions to pledge, are recognized as receivables and revenues when the specified conditions are met. Receivables and contribution revenue associated with externally held investment trusts are not reflected in the accompanying financial statements. The University recognizes contribution revenue when all eligibility requirements have been met.

Notes and mortgages receivable, net. Loans to students, net of allowance for uncollectible amounts, are provided from federal student loan programs and from other University sources. Home mortgage loans, primarily to faculty, are provided from the University's Short Term Investment Pool and from other University sources. Mortgage loans provided by the Short Term Investment Pool are classified as investments, and loans provided by other sources are classified as mortgages receivable in the Statement of Net Position.

Inventories. Inventories, consisting primarily of supplies and merchandise for resale, are valued at cost, typically determined under the weighted average method, which is not in excess of estimated net realizable value.

Capital assets, net. Land, infrastructure, buildings and improvements, intangible assets, equipment, libraries, collections and special collections are recorded at cost at the date of acquisition, or estimated fair value at the date of donation in the case of gifts. Estimates of fair value involve assumptions and estimation methods that are uncertain and, therefore, the estimates could differ from actual value. Intangible assets include easements, land rights, trademarks, patents, and other similar arrangements. Capital leases are recorded at the estimated present value of future minimum lease payments. Significant additions, replacements, major repairs and renovations to infrastructure and buildings are generally capitalized if the cost exceeds $35,000 and if they have a useful life of more than one year. Minor renovations are charged to operations. Equipment with a cost in excess of $5,000 and a useful life of more than one year is capitalized. All costs of land, library collections, and special collections are capitalized.

Depreciation is calculated using the straight-line method over the estimated economic life of the asset. Equipment under capital leases is amortized over the estimated useful life of the equipment. Leasehold improvements are amortized using the straight-line method over the shorter of the life of the applicable lease or the economic life of the asset.

Estimated economic lives are generally as follows:

Infrastructure	25 years
Buildings and improvements	15–33 years
Equipment	2–20 years
Computer software	3–7 years
Intangible assets	2–indefinite
Library books and collectibles	15 years

Capital assets acquired through federal grants and contracts where the federal government retains a reversionary interest are also capitalized and depreciated.

Inexhaustible capital assets—such as land or special collections that are protected, preserved and held for public exhibition, education or research, including art, museum, scientific and rare book collections—are not depreciated.

Interest on borrowings to finance facilities is capitalized during construction, net of any investment income earned on tax-exempt borrowings during the temporary investment of project-related borrowings.

Unearned revenue. Unearned revenue primarily includes amounts received from grant and contract sponsors that have not been earned under the terms of the agreement and other revenue billed in advance of the event, such as student tuition and fees for housing and dining services.

Funds held for others. Funds held for others result from the Foundations acting as an agent, or fiduciary, on behalf of organizations that are not significant or financially accountable to the Foundations.

Federal refundable loans. Certain loans to students are administered by UCLA with funding primarily supported by the federal government. UCLA's Statement of Net Position includes both the notes receivable and the related federal refundable loan liability representing federal capital contributions owed upon termination of the program.

Self-insurance programs. The University is self-insured or insured through a wholly owned captive insurance company for medical malpractice, workers' compensation, employee health care and general liability claims. These risks are subject to various claim and aggregate limits, with excess liability coverage provided by an independent insurer. Liabilities are recorded on a systemwide basis when it is probable a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate for claims that have been incurred, but not reported. The estimated liabilities are based upon an independent actuarial determination of the present value of the anticipated future payments. Each campus funds the self-insurance liability through predetermined rates applied to payroll and other expenses. These amounts are reflected as operating expenses in UCLA's Statement of Revenues, Expenses and Changes in Net Position. UCLA's financial statements do not reflect any liabilities for self-insurance claims, as these estimated liabilities are recorded on a systemwide basis.

Obligations under life income agreements. Obligations under life income agreements represent trusts with living income beneficiaries where UCLA has a residual interest. The investments associated with these agreements are recorded at fair value. The discounted present value of any income beneficiary interest is reported as a liability in the Statement of Net Position. Gifts subject to such agreements are recorded as revenue, net of the income beneficiary share, at the date of the gift. Actuarial gains and losses are included in other nonoperating income (expense) in the Statement of Revenues, Expenses and Changes in Net Position. Resources that are expendable upon maturity are classified as restricted, expendable net position; all others are classified as restricted, nonexpendable net position.

Pollution-remediation obligations. Upon an obligating event, UCLA estimates the components of any expected pollution remediation costs and recoveries from third parties. The costs, estimated using the expected cash flow technique, are accrued as a liability. Pollution remediation liabilities generally involved groundwater, soil and sediment contamination at certain sites where state and other regulatory agencies have indicated that UCLA is among the responsible parties. The liabilities are revalued annually and may increase or decrease the cost of recovery from third parties, if any, as a result of additional information that refines the estimates, or from payments made from revenue sources that support the activity. There were no expected recoveries at June 30, 2014 reducing the pollution remediation liability.

Deferred outflows of resources and deferred inflows of resources. The University classifies gains on retirement of debt as deferred inflows on resources and losses as deferred outflows of resources and amortizes such amounts as a component of interest expense over the remaining life of the old debt, or the new debt, whichever is shorter.

The University classifies an increase in the fair value of the hedging derivatives as deferred inflows of resources, and a decrease as deferred outflows of resources.

Changes in net position liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources.

Net position. Net position is required to be classified for accounting and reporting purposes into the following categories:

Net investment in capital assets. This category includes all of UCLA's capital assets, net of accumulated depreciation, reduced by outstanding debt attributable to the acquisition, construction or improvement of those assets.

Restricted. UCLA and the foundations classify the net position resulting from transactions with purpose restrictions as restricted net position until the specific resources are used for the required purpose or for as long as the provider requires the resources to remain intact.

Nonexpendable. The net position subject to externally imposed restrictions, which must be retained in perpetuity by UCLA or the foundations, is classified as nonexpendable net position. This includes UCLA's and the foundations' permanent endowed funds.

Expendable. The net position whose use by UCLA or the foundations is subject to externally imposed restrictions that can be fulfilled by actions of UCLA or the foundations pursuant to those restrictions, or that expire by the passage of time, are classified as expendable net position.

Unrestricted. The net position that is neither reserved, restricted, nor invested in capital assets, net of related debt, is classified as unrestricted net position. UCLA's unrestricted net position may be designated for specific purposes by management or The Regents. The foundations' unrestricted net position may be designated for specific purposes by their Boards of Trustees. Substantially, all of UCLA's unrestricted net position is allocated for academic and research initiatives or programs, for capital programs or for other purposes.

Expenses are charged to either restricted or unrestricted net position based upon a variety of factors, including consideration of prior and future revenue sources, the type of expense incurred, UCLA's budgetary policies surrounding the various revenue sources or whether the expense is a recurring cost.

Revenues and expenses. Operating revenues of UCLA include receipts from student tuition and fees, grants and contracts for specific operating activities, and sales and services from medical centers, educational activities and auxiliary enterprises. Operating expenses incurred in conducting the programs and services of UCLA are presented in the Statement of Revenues, Expenses and Changes in Net Position as operating activities.

Certain significant revenues relied upon and budgeted for fundamental operational support of the core instructional mission of UCLA are mandated by the GASB to be recorded as nonoperating revenues, including state educational appropriations, certain federal grants for student financial aid, private gifts and investment income, since the GASB does not consider them to be related to the principal operating activities of UCLA.

The foundations are established to financially support UCLA. Private gifts to the foundations are recognized as operating revenues since, in contrast to UCLA, such contributions are fundamental to the core mission of the foundations. Foundation grants to UCLA are recognized as operating expenses by the foundations. Private-gift or capital-gift revenues associated with the foundation grants to UCLA are recorded by UCLA as gifts when the foundations transfer the gifts to UCLA.

Nonoperating revenues and expenses include state educational appropriations, state financing appropriations, state hospital fee grants, Build America Bonds federal interest subsidies, federal Pell Grants, private gifts for other than capital purposes, investment income, net appreciation in the fair value of investments, interest expense and gain or loss on the disposal of capital assets.

State capital appropriations, capital gifts and grants and gifts for endowment purposes are classified as other changes in net position.

Student tuition and fees. Substantially, all of the student tuition and fees provide for current operations of UCLA. A small portion of the student fees, reported as capital gifts and grants, is required for debt service associated with student union and recreational centers.

UCLA recognizes scholarship allowances as the difference between the stated charge for tuition and fees, housing and dining charges, recreational center and other fees, and the amount that is paid by the student and third parties on behalf of the student. Payments of financial aid made directly to students are classified as scholarship and fellowship expenses.

Scholarship allowances are netted against student tuition and fees in the Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2014 and 2013 as follows:

(dollars in thousands) **Scholarship Allowance**	**2014**	**2013**
Student tuition and fees	$ 260,158	$ 246,637
Sales and services auxiliary enterprises	50,507	45,637
Total	**$ 310,665**	**$ 292,274**

State appropriations. The State of California provides appropriations to the University on an annual basis. State educational appropriations are recognized as nonoperating revenue; however, the related expenses for educational or other specific operating purposes are reported as operating expenses. State financing appropriations provide for principal and interest payments associated with lease-purchase agreements with the State Public Works Board and are also reported as nonoperating revenue. State appropriations for capital projects are recorded as revenue under other changes in net position when the related expenditures are incurred. Special state appropriations for AIDS, tobacco and breast cancer research are reported as grant operating revenue.

Grant and contract revenue. UCLA receives grant and contract revenue from governmental and private sources. UCLA recognizes revenue associated with the direct costs of sponsored programs as the related expenditures are incurred. Recovery of facilities and administrative costs of federally sponsored programs is at cost reimbursement rates negotiated with UCLA's federal cognizant agency, the U.S. Department of Health and Human Services. For the year ended June 30, 2014, the facilities and administrative cost recovery totaled $174 million, $131 million from federally sponsored programs and $43 million from other sponsors. For the year ended June 30, 2013, the facilities and administrative cost recovery totaled $184 million, $141 million from federally sponsored programs and $43 million from other sponsors.

Medical center revenue. Medical center revenue is reported at the estimated net realizable amounts from patients and third-party payors, including Medicare, Medi-Cal and others, for services rendered, as well as estimated retroactive adjustments under reimbursement agreements with third-party payors. Laws and regulations governing Medicare and Medi-Cal are complex and subject to interpretation. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. It is reasonably possible that estimated amounts accrued could change significantly based upon settlement, or as additional information becomes available.

Pension obligations. The University records pension obligations equal to the net pension liability for its defined benefit plans. The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. The fiduciary net position and changes in net position of the defined benefit plans has been measured consistent with the accounting policies used by the plans. The total pension liability is determined based upon discounting projected benefit payments based on

the benefit terms and legal agreements existing at the pension plan's fiscal year end. Projected benefit payments are discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available.

Pension expense is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. The differences between expected and actual experience and changes in assumptions about future economic or demographic factors are reported as deferred inflows or outflows and are recognized over the average expected remaining service period for employees eligible for pension benefits. The differences between expected and actual returns are reported as deferred inflows or outflows and are recognized over five years.

UCRP benefits and obligation to UCRP. UCLA's cost for campus and medical center UCRP benefits expense is based upon the annual required contribution to UCRP, as actuarially determined. Contributions to UCRP are made based upon rates or amounts determined by The University, and reduce UCLA's obligation to UCRP in the Statement of Net Position.

Retiree health benefits expense. The University established the University of California Retiree Health Benefit Trust (UCRHBT) to allow certain University locations and affiliates, including UCLA, to share the risks, rewards and costs of providing for retiree health benefits and to accumulate funds on a tax-exempt basis under an arrangement segregated from University assets. The Regents serves as Trustee of UCRHBT and has the authority to amend or terminate the Trust.

The UCRHBT provides retiree health benefits to retired employees of the campus. Contributions from the campus to the UCRHBT are made to a cost-sharing single-employer health plan administered by the University. The campus is required to contribute at a rate assessed each year by the UCRHBT. As a result, the campus' required contributions are recognized as an expense in the Statement of Revenues, Expenses and Changes in Net Position. The financial records of the UCRHBT are reported within the University's Annual Financial Report.

Retiree health benefits and obligations for retiree health benefits. UCLA's cost for campus and medical center retiree health benefits expense is based upon the annual required contribution to the retiree health plan, as actuarially determined. UCLA contributions toward retiree health benefits, at rates determined by the University, are made to UCRHBT and reduce the obligation for retiree health benefits in the Statement of Net Position.

Campus and medical center contributions toward retiree health costs made to UCRHBT are operating activities in the statement of cash flows. Cash flows resulting from retiree health contributions from retirees are shown as noncapital financing activities in the statement of cash flows.

Compensated absences. UCLA accrues annual leave, including employer-related costs, for employees at rates based upon length of service and job classification, and compensatory time based upon job classification and hours worked.

Endowment spending. Under provisions of California law, the Uniform Prudent Management of Institutional Funds Act allows for investment income, as well as a portion of realized and unrealized gains, to be expended for the operational requirements of UCLA programs.

Tax exemption. The University is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). Because the University is a state institution, related income received by the University is also exempt from federal tax under IRC Section 115(a). In addition, the University is exempt from state income taxes imposed under the California Revenue and Taxation Code. The UCLA Foundation, the Jonsson Cancer Center Foundation and ASUCLA are exempt under Section 501(c)(3).

Use of estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Although management believes the estimates and assumptions are reasonable, they are based upon information available at the time the estimate or judgment is made, and actual amounts could differ from those estimates.

1. CASH AND CASH EQUIVALENTS

UCLA cash and cash equivalents are maintained centrally and managed by the University of California. Bank accounts used by UCLA are zero balance accounts where balances are subject to a daily sweep into the central University of California management system. UCLA financial statements reflect deposits in transit except for amounts maintained by component unit ASUCLA. Cash amounts were $19 million and $22 million, respectively, at June 30, 2014 and 2013. UCLA deposits in transit at June 30, 2014 and 2013 were $9 million and $12 million, respectively, while ASUCLA cash and cash equivalents were $10 million for both years ended June 30, 2014 and 2013, respectively. UCLA does not have significant exposure to foreign currency risk in its cash and cash equivalents.

The carrying amount of the campus foundations' cash and cash equivalents at June 30, 2014 and 2013 was $3 million and $2 million, respectively, compared at June 30, 2014 and 2013 of bank balances of approximately $2 million and $1 million, respectively. The differences, if any, between the cash and cash equivalents compared to bank balances is due to deposits in transit. Bank balances for the campus foundations at June 30, 2014 and 2013, were approximately $1 million and less than $1 million, respectively, in excess of the FDIC limits. The foundations do not have exposure to foreign currency risk in their cash and cash equivalents.

2. INVESTMENTS

The Regents, as the governing Board, are responsible for the oversight of the University's investments and establishes investment policy, which is carried out by the Chief Investment Officer. These investments are associated with the Short Term Investment Pool (STIP), Total Return Investment Pool (TRIP), General Endowment Pool (GEP), and other investment pools managed by the Chief Investment Officer, or are separately invested. Pursuant to The Regents' policies on campus foundations, the Board of Trustees for each campus foundation may determine that all or a portion of their investments will be managed by the Chief Investment Officer. Asset allocation guidelines are provided to the campus foundations by the Investment Committee of The Regents.

STIP allows participants to maximize the returns on their short-term cash balances by taking advantage of the economies of scale of investing in a large pool with a broad range of maturities and is managed to maximize current earned income. Cash to provide for payroll, construction expenditures and other operating expenses for campuses and medical centers is invested in STIP. The available cash in endowment investment pools awaiting investment, or cash for administrative expenses, is also invested in STIP.

Investments authorized by The Regents for STIP include fixed-income securities with a maximum maturity of five and one-half years. In addition, for STIP, The Regents has also authorized loans, primarily to faculty members residing in California, under the University's Mortgage Origination Program with terms up to 40 years.

TRIP allows participant campuses the opportunity to maximize the return on their long-term working capital by taking advantage of the economies of scale of investing in a large pool across a broad range of asset classes. TRIP is managed to a total return objective and is intended to supplement STIP. Investments authorized by The Regents for TRIP include a diversified portfolio of equity and fixed-income securities.

GEP is an investment pool in which a large number of individual endowments participate in order to benefit from diversification and economies of scale. GEP is a balanced portfolio and the primary investment vehicle for endowed gift funds. Where donor agreements place constraints on allowable investments, assets associated with endowments are invested in accordance with the terms of the agreements.

Other investment pools primarily facilitate annuity and life income arrangements. Separate investments are those that cannot be pooled due to investment restrictions or income requirements.

Investments authorized by The Regents for GEP, other investment pools and separate investments include equity securities, fixed-income securities and certain other asset classes. The equity portion of the investment portfolios include both domestic and foreign common and preferred stocks which may be included in actively or passively managed strategies, along with a modest exposure to private equities. The University's investment portfolios may include foreign currency-denominated equity securities. The fixed-income portion of the investment portfolios may include both domestic and foreign securities, along with certain securitized investments, including mortgage-backed and asset-backed securities. Fixed-income investment guidelines permit the use of futures and options on fixed-income instruments

in the ongoing management of the portfolios. Real estate investments are authorized for GEP. Absolute return strategies, which may incorporate short sales, plus derivative positions to implement or hedge an investment position, are also authorized for GEP.

Derivative instruments, including futures, forward contracts, options and swap contracts, are authorized for portfolio rebalancing in accordance with The Regents' asset allocation policy and as substitutes for physical securities. Derivatives are not used for speculative purposes.

More detail about the University of California's investments, securities lending, derivative financial instruments and investments held by trustees can be found in the audited Annual Report.

3. ACCOUNTS RECEIVABLE

Accounts receivable and the allowances for uncollectible amounts at June 30, 2014 and 2013 are as follows:

	UCLA				UCLA FOUNDATIONS
(dollars in thousands)	STATE & FEDERAL GOVERNMENT	MEDICAL CENTERS	OTHER	TOTAL	
At June 30, 2014					
Accounts receivable	$ 124,078	$ 427,015	$ 298,294	$ 849,387	$ 7,474
Allowance for uncollectible amounts	(330)	(72,080)	(15,268)	(87,678)	-
Accounts receivable, net	**$ 123,748**	**$ 354,935**	**$ 283,026**	**$ 761,709**	**$ 7,474**
At June 30, 2013					
Accounts receivable	$ 114,509	$ 483,650	$ 280,072	$ 878,231	$ 6,776
Allowance for uncollectible amounts	(330)	(76,638)	(16,374)	(93,342)	
Accounts receivable, net	**$ 114,179**	**$ 407,012**	**$ 263,698**	**$ 784,889**	**$ 6,776**

Other accounts receivable are primarily related to private grants and contracts, physicians' professional fees, investment sales, tuition and fees, and auxiliary enterprises.

The foundations' accounts receivable is primarily related to invested income.

4. PLEDGES RECEIVABLE

The composition of pledges receivable at June 30, 2014 and 2013 is summarized as follows:

	UCLA		UCLA FOUNDATIONS	
(in thousands of dollars)	**2014**	**2013**	**2014**	**2013**
Total pledges receivable, outstanding	**$ 17,878**	**$ 14,347**	**$ 554,454**	**$ 437,036**
Less: Unamortized discount to present value	(223)	(612)	(52,947)	(59,114)
Allowance for uncollectible pledges	(2,719)	(2,810)	(46,082)	(37,396)
Total pledges receivable, net	**14,936**	**10,925**	**455,425**	**340,526**
Less: Current portion of pledges receivable	(7,562)	(4,998)	(110,532)	(40,522)
Noncurrent portion of pledges receivable	**$ 7,374**	**$ 5,927**	**$ 344,893**	**$ 300,004**

Future receipts under pledge agreements for each of the five fiscal years subsequent to June 30, 2014 and thereafter are as follows:

(in thousands of dollars)	UCLA	UCLA FOUNDATIONS
At June 30		
2015	$ 9,172	$ 149,044
2016	5,331	49,809
2017	1,375	62,038
2018	750	24,823
2019	250	22,814
2020–2024	1,000	201,142
Beyond 2024	-	44,784
Total payments on pledges receivable	**$ 17,878**	**$ 554,454**

Adjustments to the allowance for uncollectible pledges for UCLA have increased (decreased) the following revenues for the years ended June 30, 2014 and 2013:

(in thousands of dollars)	UCLA	
	2014	**2013**
Private gifts	$ (90)	$ 2,126
Capital gifts and grants	-	-

5. NOTES AND MORTGAGES RECEIVABLE

Notes and mortgages receivable at June 30, 2014 and 2013, along with allowances for uncollectible amounts, are as follows:

(dollars in thousands)	CURRENT	NONCURRENT NOTES	NONCURRENT MORTGAGES	TOTAL
At June 30, 2014				
Notes and mortgages receivable	$ 7,706	$ 67,590	$ 11,899	$ 87,195
Allowance for uncollectible amounts	(595)	(2,100)	(126)	$ (2,821)
Notes and mortgages receivable, net	**$ 7,111**	**$ 65,490**	**$ 11,773**	**$ 84,374**
At June 30, 2013				
Notes and mortgages receivable	$ 7,459	$ 66,057	$ 12,614	$ 86,130
Allowance for uncollectible amounts	(547)	(2,295)	(120)	(2,962)
Notes and mortgages receivable, net	**$ 6,912**	**$ 63,762**	**$ 12,494**	**$ 83,168**

6. CAPITAL ASSETS, NET

UCLA's capital asset activity for the years ended June 30, 2014 and 2013 is as follows:

(dollars in thousands)	2012	ADDITIONS	DISPOSALS	2013	ADDITIONS	DISPOSALS	2014
Original Cost							
Land	$ 121,762	$ 28,458	$ (3,100)	$ 147,120	$ 3,356	$ (4,230)	$ 146,246
Infrastructure	7,385	-	-	7,385	-	-	7,385
Buildings and improvements	5,865,161	284,407	-	6,149,568	331,325	(161)	6,480,732
Equipment	1,102,534	112,086	(81,746)	1,132,874	59,332	(33,367)	1,158,839
Intangible assets	50,191	146,382	(1,218)	195,355	64,681	(1,088)	258,948
Libraries and collections	618,257	29,194	(4,829)	642,622	30,934	(1,872)	671,684
Special collections	87,624	2,751	-	90,375	16,966	-	107,341
Construction in progress	544,395	(79,348)	-	465,047	142,477	-	607,524
Capital assets, at original cost	**$ 8,397,309**	**$ 523,930**	**$ (90,893)**	**$ 8,830,346**	**$ 649,071**	**$ (40,718)**	**$ 9,438,699**

	2012	DEPRECIATION AND AMORTIZATION	DISPOSALS	2013	DEPRECIATION AND AMORTIZATION	DISPOSALS	2014
Accumulated Depreciation and Amortization							
Infrastructure	$ 6,077	$ 121	$ -	$ 6,198	$ 121	$ -	$ 6,319
Buildings and improvements	2,087,686	186,213	-	2,273,899	194,682	(9)	2,468,572
Equipment	629,426	79,140	(73,672)	634,894	85,809	(31,692)	689,011
Intangible assets	20,611	4,901	(7)	25,505	30,106	(124)	55,487
Libraries and collections	423,166	22,774	(3,824)	442,116	23,255	(3,103)	462,268
Accumulated depreciation and amortization	**$ 3,166,966**	**$ 293,149**	**$ (77,503)**	**$ 3,382,612**	**$ 333,973**	**$ (34,928)**	**$ 3,681,657**
Capital assets, net	**$ 5,230,343**			**$ 5,447,734**			**$ 5,757,042**

7. DEBT

The University directly finances the construction, renovation and acquisition of facilities and equipment, or for such other purposes as are authorized by The Regents through the issuance of debt obligations. Commercial paper and bank loans provide for interim financing. Long-term financing includes revenue bonds, capital lease obligations and other borrowings.

UCLA's outstanding debt at June 30, 2014 and 2013 is as follows:

(dollars in thousands)	WEIGHTED AVERAGE INTEREST RATE	INTEREST RATE RANGES	MATURITY YEARS	2014
Interim Financing				
Commercial paper		0.1–0.2%	2014	$ 207,809
Long-term Financing				
University of California General Revenue Bonds				
Fixed Rate	4.4%	0.2–7.6%	2015–2112	686,132
Variable Rate	0.3%	0.0–0.7%	2037–2048	1,079,505
University of California Limited Project Revenue Bonds	5.0%	0.3–6.3%	2015–2050	504,422
University of California Medical Center				
Pooled Revenue Bonds				
Fixed Rate	5.6%	2.0–6.6%	2015–2049	609,648
Variable Rate	0.5%	0.0–1.0%	2015–2047	62,227
University of California Medical Center Revenue Bonds	5.2%	4.0–5.0%	2015–2039	47,265
Adjusted by: Unamortized bond premium				116,639
University of California Revenue Bonds	**4.3%**			**3,105,838**
Capital lease obligations		0.0–7.8%	2014–2042	69,564
Other University borrowings		Various	2014–2049	51,222
Total outstanding debt				**$ 3,434,433**
Less: Commercial paper				(207,809)
Current portion of outstanding debt				(77,626)
Noncurrent portion of outstanding debt				**$ 3,148,998**

Interest expense associated with financing projects during construction, net of any investment income earned on tax-exempt bond proceeds during construction, is capitalized. Total interest expense during the years ended June 30, 2014 and 2013 was $125 million and $141 million, respectively. Interest expense, net of investment income, totaling $5 million and $5 million, was capitalized during the years ended June 30, 2014 and 2013, respectively. The remaining $120 million in 2014 and $136 million in 2013 are reported as interest expense in the Statement of Revenues, Expenses and Changes in Net Position.

Outstanding Debt Activity

The activity with respect to UCLA's current and noncurrent debt for the years ended June 30, 2014 and 2013 is as follows:

(dollars in thousands)	REVENUE BONDS	OTHER BORROWINGS	CAPITAL LEASE OBLIGATIONS	TOTAL
Year ended June 30, 2014				
Long-term debt and capital leases at June 30, 2013	$ 2,669,722	$ 39,576	$ 424,172	$ 3,133,470
New obligations	504,221	14,025	-	518,246
Bond premium	26,173	-	-	26,173
Refinance or prepayment of outstanding debt	(28,295)	-	(349,525)	(377,820)
Scheduled principal payments	(57,734)	(2,379)	(5,083)	(65,196)
Amortization of bond premium	(8,249)	-	-	(8,249)
Long-term debt and capital leases at June 30, 2014	**3,105,838**	**51,222**	**69,564**	**3,226,624**
Less: Current portion	(71,151)	(2,536)	(3,939)	(77,626)
Noncurrent portion at June 30, 2014	**$ 3,034,687**	**$ 48,686**	**$ 65,625**	**$ 3,148,998**
Year Ended June 30, 2013				
Long-term debt and capital leases at June 30, 2012	$ 2,703,177	$ 41,542	$ 457,889	$ 3,202,608
New obligations	635,357	-	97,076	732,433
Bond premium	49,797	-	-	49,797
Deferred financing costs	(5,629)	-	-	(5,629)
Refinance or prepayment of outstanding debt	(713,448)	-	(114,350)	(827,798)
Scheduled principal payments	(24,430)	(1,966)	(16,443)	(42,839)
Amortization of bond premium	(7,151)	-	-	(7,151)
Amortization of deferred financing costs	3,085	-	-	3,085
Long-term debt and capital leases at June 30, 2013	**2,640,758**	**39,576**	**424,172**	**3,104,506**
Less: Current portion	(57,678)	(2,004)	(24,983)	(84,665)
Noncurrent portion at June 30, 2013	**$ 2,583,080**	**$ 37,572**	**$ 399,189**	**$ 3,019,841**

Commercial Paper

The University has available a $2.0 billion commercial paper program, issued in two series, with tax-exempt and taxable components. Commercial paper may be issued for interim/permanent financing for capital projects, interim financing of equipment, financing of working capital for the medical centers and other working capital needs, standby or interim financing for gift financed projects and working capital for the University.

The program's liquidity is supported by available investments in STIP and TRIP. Commercial paper is collateralized by a pledge of the revenues derived from the ownership or operation of the projects financed and constitutes limited obligations of the University. There is no encumbrance, mortgage or other pledge of property securing commercial paper, and the paper does not constitute general obligations of the University.

Commercial paper outstanding for UCLA, including interest rates, at June 30, 2014 and June 30, 2013 is as follows:

	2014		2013	
(dollars in thousands)	INTEREST RATES	OUTSTANDING	INTEREST RATES	OUTSTANDING
Tax-exempt	0.00%	$ -	0.1–0.2%	$ 7,973
Taxable	0.08–0.2%	207,809	0.1–0.3%	183,998
Total		$ 207,809		$ 191,971

The expectation is that the University will continue to utilize available investments for liquidity support for the commercial paper program. Alternatively, the University may utilize lines of credit from external banks, as the University entered into a $300 million revolving credit agreement with a major external bank for the purpose of providing additional liquidity support for the commercial paper program. As of June 30, 2014, the University has two revolving credit agreements totaling $700 million. There were no borrowings against the revolving credit lines as of June 30, 2014. In August 2014, the University amended its existing revolving credit agreement totaling $400 million that provides additional liquidity support to the University's commercial paper program to extend the termination date to December 7, 2016.

University of California Revenue Bonds

Revenue bonds have financed various auxiliary, administrative, academic, medical center and research facilities of the University. They generally have annual principal and semiannual or monthly interest payments; serial and term maturities; contain sinking fund requirements; and may have optional redemption provisions. Revenue bonds are not collateralized by any encumbrance, mortgage or other pledge of property, except pledged revenues, and do not constitute general obligations of The Regents. Revenue Bond Indentures require the University to use the facilities in a way that will not cause the interest on the tax-exempt bonds to be included in the gross income of the bondholders for federal tax purposes.

General Revenue Bonds are collateralized solely by General Revenues as defined in the Indenture. General Revenues are certain operating and nonoperating revenues of the University consisting of gross student tuition and fees; facilities and administrative cost recovery from contracts and grants; revenues from educational, auxiliary and other activities; and other revenues, including unrestricted investment income. The General Revenue Bond Indenture requires the University to set rates, charges and fees each year sufficient for General Revenues to pay for the annual principal and interest on the bonds and certain other financial covenants. General Revenues, as defined in the Indenture, have been amended to include certain state appropriations as to secure payment of the General Revenue Bonds. UCLA General Revenues were $2.8 billion for both the years ended June 30, 2014 and 2013. The pledge of General Revenues for interest rate swap agreements is on a parity basis with the University's General Revenue Bonds.

Limited Project Revenue Bonds are issued to finance auxiliary enterprises and are collateralized by a pledge consisting of the sum of the gross revenues of the specific projects. The Indenture requires the University to achieve the sum of gross project revenues equal to 1.1 times debt service and maintain certain other financial covenants. UCLA pledged revenues for the years ended June 30, 2014 and 2013 were $258 million and $259 million, respectively.

Medical Center Pooled Revenue Bonds are issued to finance the University's medical center facilities and are collateralized by a joint and several pledge of the gross revenues of all five of the University's medical centers. Medical center gross revenues are excluded from General Revenues. The Medical Center Pooled Revenue Bond Indenture requires the medical centers to set rates, charges and fees each year sufficient for the medical center gross revenues to pay for the annual principal and interest on the bonds and certain other financial covenants. Gross revenues for all five of the UC medical centers for the years ended June 30, 2014 and 2013 were $8.6 billion and $7.5 billion, respectively. Gross revenues for the UCLA medical centers for years ended June 30, 2014 and 2013 were $2.0 billion and $1.9 billion, respectively.

Medical Center Revenue Bonds have also financed certain facilities of UCLA's medical center and are collateralized by a pledge of the specific gross revenues associated with the medical center. The Medical Center Revenue Bond Indenture requires one medical center to achieve debt service coverage of 1.1 times, set limitations on encumbrances, indebtedness, disposition of assets and transfer services, and maintain certain other financial covenants.

The pledge of revenues under Limited Project Revenue Bonds is subordinate to the pledge of revenues associated with General Revenue Bonds, but senior to pledges under commercial paper agreements or bank loans.

Medical center gross revenues are pledged under the Indentures for the Medical Center Pooled Revenue Bonds and the UCLA Medical Center Revenue Bonds and certain interest rate swap agreements. The pledge of medical center revenues under Medical Center Pooled Revenue Bonds is subordinate to the specific Medical Center Revenue Bonds.

The pledge of medical center revenues for interest-rate-swap agreements may be at parity with, or subordinate to, specific Medical Center Revenue Bonds and Medical Center Pooled Revenue Bonds.

All indentures permit the University to issue additional bonds as long as certain conditions are met.

2014 Activity

In August 2013, tax-exempt Medical Center Pooled Revenue Bonds totaling $124 million, including $93 million of fixed-rate bonds and $31 million of variable-rate demand bonds, were issued to finance and refinance certain facilities and projects of the medical centers. Proceeds, including a bond premium of $4 million, were used to pay for project construction and issuance costs, and refund $28 million of outstanding Medical Center Revenue Bonds. The fixed-rate bonds mature at various dates through

2048, and the variable-rate bonds mature in 2047. The interest rates on the variable-rate demand bonds reset weekly, and an interest rate swap, previously classified as an investment derivative, is being used to limit exposure to changes in market interest rates. In the event of a failed remarketing, the variable-rate demand bonds can be put back to The Regents for tender. The tax-exempt bonds have a stated weighted average interest rate of 5.0 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds.

In October 2013, General Revenue Bonds totaling $352 million—including $164 million tax-exempt bonds, $102 million taxable bonds, and $86 million tax-exempt variable-rate demand bonds—were used to refinance debt issued by the State of California or for such other purposes as authorized by The Regents. Proceeds, including a bond premium of $10 million, were used to pay $341 million in Lease Revenue Bonds issued by the State Public Works Board of the State of California, and are reported as lease-purchase agreements by the University and bond issuance costs. The fixed-rate bonds mature at various dates through 2048, and the variable-rate demand bonds mature in 2048. The tax-exempt bonds have a stated weighted average interest rate of 3.5 percent. The taxable bonds have a stated weighted average interest rate of 4.3 percent. The interest rates on the variable-rate demand bonds reset weekly, and in the event of a failed remarketing, can be put back to The Regents for tender. Interest rate swap agreements were executed to limit exposure to changes in market interest rates. General Revenues, as defined in the Indenture, have been amended to include certain state appropriations to secure payment of the General Revenue Bonds.

In April 2014, General Revenue Bonds for UCLA totaling $32.2 million, including $18.6 million in tax-exempt bonds and $13.6 million in taxable bonds, were used to finance and refinance certain facilities and projects of UCLA. The bonds mature at various dates through 2049. The tax-exempt bonds have a stated weighted average interest rate of 4.9 percent. The taxable bonds have a stated weighted average interest rate of 3.9 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds.

2013 Activity

In July 2012, Limited Project Revenue bonds totaling $209 million were issued. Proceeds, including a bond premium of $32 million, were used to finance certain facilities and projects of UCLA and refund $213 million of outstanding Limited Project Revenue Bonds. The bonds mature at various dates through 2042. The tax-exempt bonds have a stated weight average interest rate of 4.9 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds.

In March 2013, General Revenue Bonds totaling $427 million were issued. Proceeds, including a bond premium of $21 million, were used to refund $500 million of outstanding General Revenue Bonds. The bonds mature at various dates through 2039. The tax-exempt bonds have a stated weighted average interest rate of 4.7 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds.

Capital Leases

The University entered into lease-purchase agreements with the State of California that were recorded as capital leases. The state sold lease revenue bonds to finance the construction of certain state-owned buildings to be used by UCLA.

In October 2013, the University refinanced all the lease revenue bonds issued by the State of California with University General Revenue Bonds and ownership of all the properties transferred to the University.

Capital leases totaled $69 million and $424 million in 2014 and 2013, respectively. The majority of the amount for fiscal year ended 2013, i.e., $349 million, is attributed to state lease revenue bonds issued to finance primarily seismic renovations of various UCLA campus buildings and the UCLA replacement hospitals in Santa Monica and Westwood. These were the lease revenue bonds issued by the State of California that were refinanced by General Revenue Bonds in October 2013 as noted above.

Other University Borrowings

Other University borrowings consist of contractual obligations resulting from the acquisition of land or buildings and the construction and renovation of certain facilities, along with the borrowing component associated with a hybrid derivate instrument.

Other borrowings totaled $51 million and $40 million, respectively, at June 30, 2014 and 2013. This was comprised of unamortized borrowings under UCLA Medical Center swap agreements of $28 million and $29 million, respectively, at June 30, 2014 and 2013, in addition to mortgage and other obligations to various lenders of $23 million and $11 million, respectively, at June 30, 2014 and 2013.

Future Debt Service and Hedging Derivative Interest Rate Swaps

Future debt service payments for UCLA's fixed- and variable-rate debt and net receipts or payments on associated hedging derivative instruments for each of the five fiscal years subsequent to June 30, 2014 and thereafter are presented below. Although not a prediction by UCLA of the future interest cost of the variable-rate bonds or the impact of the hedging derivative interest rate swaps, these amounts assume that current interest rates on variable-rate bonds and the current reference rates of the hedging derivative interest rate swaps will remain the same. As these rates vary, variable-rate bond interest payments and net hedging derivative interest rate swap payments will vary.

(dollars in thousands) Year ending June 30	COMMERCIAL PAPER	REVENUE BONDS	CAPITAL LEASES	OTHER UNIVERSITY BORROWINGS	TOTAL PAYMENTS	PRINCIPAL	INTEREST
2015	$ 208,100	$ 195,842	$ 7,100	$ 2,980	$ 414,022	$ 276,074	$ 137,948
2016	-	195,372	5,444	3,019	203,835	68,815	135,020
2017	-	196,279	5,211	3,057	204,547	72,283	132,264
2018	-	191,177	4,056	3,097	198,330	69,074	129,256
2019	-	190,950	3,971	3,139	198,060	71,805	126,255
2020–2024	-	959,942	20,624	7,476	988,042	408,719	579,323
2025–2029	-	888,458	24,687	7,219	920,364	440,598	479,766
2030–2034	-	816,115	30,036	7,414	853,565	475,430	378,135
2035–2039	-	694,954	36,543	7,282	738,779	468,711	270,068
2040–2044	-	511,185	22,291	6,064	539,540	360,469	179,071
2045–2049		322,955		1,846	324,801	208,978	115,823
2050–2112	-	1,624,215	-	-	1,624,215	400,000	1,224,215
Total future debt service	**208,100**	**6,787,444**	**159,963**	**52,593**	**7,208,100**	**$ 3,320,956**	**$ 3,887,144**
Less: Interest component of future payments	(291)	(3,798,245)	(87,238)	(1,371)	(3,887,145)		
Principal portion of future payments	**207,809**	**2,989,199**	**72,725**	**51,222**	**3,320,955**		
Adjusted by:							
Unamortized deferred financing costs	-		-	-	-		
Unamortized bond premium	-	116,639	-	-	116,639		
Present value of net minimum leases included in long-term debt	-	-	(3,161)	-	(3,161)		
Total debt	**$ 207,809**	**$ 3,105,838**	**$ 69,564**	**$ 51,222**	**$ 3,434,433**		

8. THE UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM (UCRS)

Most UCLA employees participate in UCRS. UCRS consists of UCRP, a defined benefit plan funded with University and employee contributions; UCRSP, which includes defined contribution plans with options to participate in internally and externally managed investment portfolios generally funded with employee non-elective and elective contributions; and PERS-VERIP, a defined benefit plan for UCLA employees who were members of PERS who elected early retirement. The Regents has the authority to establish and amend the benefit plans.

Condensed financial information related to each plan in UCRS for the years ended June 30, 2014 and 2013 is as follows:

(dollars in thousands)	UNIVERSITY OF CALIFORNIA RETIREMENT PLAN		UNIVERSITY OF CALIFORNIA PERS-VERIP		UNIVERSITY OF CALIFORNIA RETIREMENT SAVINGS PROGRAM		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
CONDENSED STATEMENT OF PLANS' FIDUCIARY NET POSITION								
Investments at fair value	$ 53,515,771	$ 45,894,422	$ 71,288	$ 65,228	$ 15,160,545	$ 14,145,161	$ 68,747,604	$ 60,104,811
Participants' interests in mutual funds					5,044,424	3,738,538	5,044,424	3,738,538
Investment of cash collateral	4,162,452	4,229,966	5,564	6,010	2,395,256	2,304,152	6,563,272	6,540,128
Other assets	261,451	243,895	87	105	201,873	194,483	463,411	438,483
Total assets	**57,939,674**	**50,368,283**	**76,939**	**71,343**	**22,802,098**	**20,382,334**	**80,818,711**	**70,821,960**
Collateral held for securities lending	4,161,400	4,229,697	5,563	6,010	2,394,651	2,304,007	6,561,614	6,539,714
Other liabilities	994,407	797,860	1,414	1,231	363,293	286,279	1,359,114	1,085,370
Total liabilities	**5,155,807**	**5,027,557**	**6,977**	**7,241**	**2,757,944**	**2,590,286**	**7,920,728**	**7,625,084**
Net position held in trust	**$ 52,783,867**	**$ 45,340,726**	**$ 69,962**	**$ 64,102**	**$ 20,044,154**	**$ 17,792,048**	**$ 72,897,983**	**$ 63,196,876**
CONDENSED STATEMENT OF CHANGES IN PLANS' FIDUCIARY NET POSITION								
Contributions	$ 2,158,342	$ 1,225,697			$ 1,057,370	$ 950,286	$ 3,215,712	$ 2,175,983
Net appreciation in fair value of investments	7,170,667	3,990,041	9,874	5,871	19,577,077	1,110,169	26,757,618	5,106,081
Investment and other income, net	839,313	843,298	1,161	1,273	506,618	410,410	1,347,092	1,254,981
Total additions	**10,168,322**	**6,059,036**	**11,035**	**7,144**	**3,521,065**	**2,470,865**	**13,700,422**	**8,537,045**
Benefit payment and participant withdrawals	2,687,540	2,487,369	5,169	5,278	1,260,155	1,268,234	3,952,864	3,760,881
Plan expense	37,641	37,426	6	7	8,804	7,415	46,451	44,848
Total deductions	**2,725,181**	**2,524,795**	**5,175**	**5,285**	**1,268,959**	**1,275,649**	**3,999,315**	**3,805,729**
Increase in net position held in trust	**7,443,141**	**3,534,241**	**5,860**	**1,859**	**2,252,106**	**1,195,216**	**9,701,107**	**4,731,316**
Net position held in trust								
Beginning of year	45,340,726	41,806,485	64,102	62,243	17,792,048	16,596,832	63,196,876	58,465,560
End of year	**$ 52,783,867**	**$ 45,340,726**	**$ 69,962**	**$ 64,102**	**$ 20,044,154**	**$ 17,792,048**	**$ 72,897,983**	**$ 63,196,876**
CHANGES IN TOTAL PENSION LIABILITY								
Service cost	$ 1,519,183							
Interest	4,316,728		$ 2,857					
Difference between expected and actual experience	(320,624)		(436)					
Changes in benefit terms								
Benefits paid, including refunds of employee contributions	(2,687,540)		(5,169)					
Net change in total pension liability	**2,827,747**		**(2,748)**					
Total pension liability								
Beginning of year	57,701,585		41,108					
End of Year	**60,529,332**		**38,360**					
Net pension liability (asset), end of year	**$ 7,745,465**		**($ 31,602)**					

Additional information on the retirement plans can be obtained from the 2013-14 annual report of the University of California Retirement System, which can be obtained at http://reportingtransparency.universityofcalifornia.edu/

University of California Retirement Plan (UCRP)

UCRP provides lifetime retirement income, disability protection, death benefits, post-retirement, and pre-retirement survivor benefits to eligible employees of the University and its affiliates. Membership is required in UCRP for all employees appointed to work at least 50.0 percent time for an indefinite period or for a definite period of a year or more. An employee may also become eligible by completing 1,000 hours of service within a 12-month period. Generally, five years of service are required for entitlement to plan benefits. The amount of the pension benefit is determined under the basic formula of covered compensation times age factor times years of service credit. The maximum monthly benefit cannot exceed 100.0 percent of the employee's highest average plan compensation over a 36-month period, subject to certain limits imposed under the Internal Revenue Code. Annual cost-of-living adjustments (COLAs) are made to monthly benefits according to a specified formula based on the Consumer Price Index. Ad hoc COLAs may be granted subject to funding availability.

The University's membership in UCRP consisted of the following as of June 30, 2014:

	CAMPUSES AND MEDICAL CENTERS	DOE NATIONAL LABORATORIES	UNIVERSITY OF CALIFORNIA
Retirees and beneficiaries receiving benefits	51,249	12,942	64,191
Inactive members entitled to, but not receiving benefits	66,424	11,805	78,229
Active members			
Vested	74,276	1,672	75,948
Nonvested	43,661	959	44,620
Total active members	**117,937**	**2,631**	**120,568**
Total membership	**235,610**	**27,378**	**262,988**

Contributions

Contributions to UCRP are based upon rates determined by The Regents. The Regents' funding policy provides for contributions at rates to maintain UCRP on an actuarially sound basis. While the University's independent actuary annually determines the total funding policy contributions, the University is not required to contribute an amount equal to the total funding contribution. The actual contributions and contribution rates of the University and employees are based on numerous factors, including the availability of funds to the University, the impact of employee contributions on the competitiveness of the University's total remuneration package, and collective bargaining agreements.

The Regents determines the portion of the total contribution to be made by the employer and by the employees, and employee contribution rates for represented employees are subject to collective bargaining. Effective July 1, 2013, employee member and employer contributions were 6.5 percent and 12.0 percent, respectively. Member contributions for the employees in the new benefit tier applicable to employees hired on or after July 1, 2013 are 7.0 percent, and the employer rate is uniform across all members. Effective July 1, 2014, employee member and employer contributions were 8.0 percent and 14.0 percent, respectively. UCLA contributions were $304 million and $212 million for 2014 and 2013, respectively.

Employee contributions to UCRP are accounted for separately and currently accrue interest at 6.0 percent annually. Upon termination, members may elect a refund of their contributions plus accumulated interest; vested terminated members who are eligible to retire may also elect monthly retirement income or a lump sum equal to the present value of their accrued benefits.

Net Pension Liability

All UCRP assets are available to pay any member's benefit. However, assets and liabilities for the campus and medical center segment of UCRP are internally tracked separately from the DOE national laboratory segments of UCRP. The net pension liability for UCRP as of June 30, 2014 was as follows:

(in thousands of dollars)	UCLA CAMPUS AND MEDICAL CENTER*	OTHER CAMPUSES AND MEDICAL CENTERS	CAMPUSES AND MEDICAL CENTERS	DOE NATIONAL LABORATORIES	UNIVERSITY OF CALIFORNIA
UCRP net position	$ 11,020,088	$ 33,464,406	$ 44,484,494	$ 8,299,373	$ 52,783,867
Total Pension liability	12,760,419	38,749,221	51,509,640	9,019,692	60,529,332
Net Pension liability	**$ 1,740,331**	**$ 5,284,815**	**$ 7,025,146**	**$ 720,319**	**$ 7,745,465**

*Pro-rata estimate based on UCLA's respective percentage of covered payroll.

The University's net pension liability was measured as of June 30, 2014 based upon rolling forward the results of the actuarial valuations as of July 1, 2013. Actuarial valuations represent a long-term perspective and involve estimates of the value of reported benefits and assumptions about the probability of occurrence of events far into the future. The University's net pension liability was calculated using the following methods and assumptions:

Inflation	3.5%
Investment rate of return	7.5
Projected salary increases	4.3–6.8
Cost-of-living adjustments	2.0

For active members, inactive members and healthy retires, the RP-2000 Combined Healthy Mortality Table, projected with scale AA to 2025, with ages set back two years is used. For disabled members, rates are based on the RP-2000 Disabled Retiree Mortality Table, projected with Scale AA to 2025, with ages set back two years for males.

Actuarial assumptions are subject to periodic revisions as actual results are compared with past expectations and new estimates are made about the future. The actuarial assumptions used in the July 1, 2013 valuations are based upon the results of an experience study conducted for the period of July 1, 2006 through June 30, 2010.

The long-term expected investment rate of return assumption for UCRP was determined based on a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation adopted by The Regents and by adding expected inflation. The target allocation and projected arithmetic real rates of return, after deducting inflation, but before investment expenses,

used in the derivation of the long-term expected investment rate of return assumption for each major asset class are as follows:

	TARGET ALLOCATION	LONG-TERM EXPECTED REAL RATE OF RETURN
Asset Class		
U.S. Equity	23.0%	6.8%
Developed International Equity	24.0	6.9
Emerging Market Equity	5.0	9.3
Core Fixed Income	12.0	1.5
High Yield Bonds	2.5	3.7
Emerging Market Debt	2.5	4.0
TIPS	8.0	1.3
Real Estate	7.0	5.4
Private Equity	6.0	10.4
Absolute Return/Hedge Funds/Real Estate	10.0	4.1
Total	**100.0%**	

Discount Rate

The discount rate used to estimate the net pension liability as of June 30, 2014 was 7.5 percent. To calculate the discount rate, cash flows into and out of UCRP were projected in order to determine whether UCRS has sufficient cash in future periods for projected benefit payments for current members. For this purpose, University contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected University contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions of future plan members, are not included. UCRP was projected to have assets sufficient to make projected benefit payments for current members for all future years as of June 30, 2014.

Sensitivity of the Net Pension Liability to the Discount Rate Assumption

The following presents the current-period net pension liability of the University calculated using the current-period discount rate assumption of 7.5 percent, as well as what the net pension liability would be if it were calculated using a discount rate different than the current assumption:

(in thousands of dollars)	1% DECREASE (6.5%)	CURRENT DISCOUNT (7.5%)	1% INCREASE (8.5%)
UCRP	$ 15,123,395	$ 7,745,465	$ 1,540,576
UCRP (portion of UCLA campus, including Medical Centers)*	3,973,183	2,034,870	404,736
PERS-VERIP	(29,387)	(31,602)	(33,590)

*Pro-rata estimate based on UCLA's respective percentage of covered payroll.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources for the year ended June 30, 2014:

(in thousands of dollars)	UCLA CAMPUS AND MEDICAL CENTER*	OTHER CAMPUSES AND OTHER MEDICAL CENTERS	CAMPUSES AND MEDICAL CENTERS	DOE NATIONAL LABORATORIES	TOTAL UCRP	PERS-VERIP	TOTAL
DEFERRED OUTFLOWS OF RESOURCES							
Difference between expected and actual experience				$ 3,418	$ 3,418		$ 3,418
Changes of assumptions or other inputs	$ 544,509	$ 1,528,091	$ 2,072,600		2,072,600		2,072,600
Net difference between projected and actual earnings on pension plan investments	261,428	733,664	995,092	212,012	1,207,104	1,909	1,209,013
Total	**$ 805,937**	**$ 2,261,755**	**$ 3,067,692**	**$ 215,430**	**$ 3,283,122**	**$ 1,909**	**$ 3,285,031**
DEFERRED INFLOWS OF RESOURCES							
Difference between expected and actual experience	$ 107,091	$ 300,546	$ 407,640		$ 407,640		$ 407,640
Changes of assumptions or other inputs	492,368	1,381,764	1,874,132		1,874,132		1,874,132
Net difference between projected and actual earnings on pension plan investments	1,055,605	2,962,418	4,018,023	740,671	4,758,694	6,742	4,765,436
Total	**$ 1,655,064**	**$ 4,644,728**	**$ 6,299,795**	**$ 740,671**	**$ 7,040,466**	**$ 6,742**	**$ 7,047,208**

*Pro-rata estimate based on UCLA's respective percentage of covered payroll.

The net amount of deferred outflows of resources and deferred inflows of resources related to pensions that will be recognized in pension expense during the next five years and thereafter is as follows:

(in thousands of dollars)	UCLA CAMPUS AND MEDICAL CENTER*	OTHER CAMPUSES AND OTHER MEDICAL CENTERS	CAMPUSES AND MEDICAL CENTERS	DOE NATIONAL LABORATORIES	TOTAL UCRP	PERS-VERIP
2015	($ 126,332)	($ 354,535)	($ 480,867)	($ 89,152)	($ 570,019)	($ 865)
2016	(126,332)	(354,535)	(480,867)	(92,570)	(573,437)	(865)
2017	(262,397)	(736,383)	(998,780)	(198,578)	(1,197,358)	(1,819)
2018	(324,880)	(911,732)	(1,236,612)	(144,941)	(1,381,553)	(1,284)
2019	(9,189)	(25,788)	(34,977)		(34,977)	
Total	**($ 849,130)**	**($ 2,382,973)**	**($ 3,232,103)**	**($ 525,241)**	**($ 3,757,344)**	**($ 4,833)**

*Pro-rata estimate based on UCLA's respective percentage of covered payroll.

Defined Contribution Plan

The University makes DC Plan retirement contributions on the summer or equivalent term salaries of eligible academic employees who teach, conduct research or provide administrative service during the summer session or an equivalent term. To be eligible, employees must hold academic year appointments and be active members of UCRP or another defined benefit plan to which the University contributes. The contribution rate is 7.0 percent of eligible salary, of which 3.5 percent is University paid and 3.5 percent is employee-paid, both on a pretax basis. The University may also contribute on behalf of eligible senior managers. Employer contributions to the DC Plan was $4.7 million for the year ended June 30, 2014.

The DC Plan Pretax Account also includes mandatory contributions from part-time, seasonal and temporary employees at the University who are not currently participating in UCRP or another defined benefit plan to which the University contributes (Safe Harbor participants). Safe Harbor participation includes certain University student employees and resident aliens with F-1 and J-1 visa status. Safe Harbor participants contribute 7.5 percent of their gross salary (up to the Social Security wage base) to the Plan in lieu of deductions for Social Security taxes.

All University employees, except students who normally work fewer than 20 hours per week, are eligible to make voluntary contributions to the DC Plan After-Tax Account and defer taxation on the earnings until the accumulations are withdrawn. The maximum amount participants may contribute annually to the After-Tax Account is determined by the IRC §415(c) limit. The University may also make DC Plan contributions on behalf of eligible senior managers.

The Supplemental Defined Contribution Plan (SDC Plan) accepts employer contributions on behalf of certain designated employees. Employer contributions are fully vested, and there is no provision for employee contributions. There were no assets or employer contributions to the SDC Plan for the years ended June 30, 2014 or 2013.

Tax Deferred 403(b) Plan

The University's Tax-Deferred 403(b) Plan (403(b) Plan) accepts pretax employee contributions. The University may also make contributions on behalf of certain members of management.

457(b) Deferred Compensation Plan

The University's 457(b) Deferred Compensation Plan (457(b) Plan) accepts pretax employee contributions. UCLA may also make contributions on behalf of certain members of management. There were no employer contributions to the 457(b) Plan for the years ended June 30, 2014 and 2013.

Participants in the DC Plan, the SDC Plan, the 403(b) Plan and the 457(b) Plan may direct their elective and nonelective contributions to investment funds managed by the Chief Investment Officer. They may also invest account balances in certain mutual funds.

University of California PERS-VERIP

The University of California PERS-VERIP is a defined benefit pension plan providing lifetime supplemental retirement income and survivor benefits to UC-PERS members who elected early retirement

under provisions of the plan. The University contributed to PERS on behalf of these UC-PERS members. As of July 1, 2014, there are 614 systemwide retirees or beneficiaries receiving benefits under this voluntary early retirement program.

The University previously made contributions to the plan sufficient to maintain the promised benefits. The annual requirement contribution, net obligation to PERS-VERIP and any changes or adjustments to that obligation, are all zero for the years ending June 30, 2014 and 2013.

9. RETIREE HEALTH BENEFIT COSTS AND OBLIGATIONS

The University administers single-employer health and welfare plans to provide health and welfare benefits, primarily medical, dental and vision, to eligible retirees and their eligible family members (retirees) of the University of California and its affiliates. The Regents has the authority to establish and amend the plans.

Membership in UCRP is required to become eligible for retiree health benefits.

	CAMPUSES AND MEDICAL CENTERS	LBNL	UNIVERSITY OF CALIFORNIA
Retirees who are currently receiving benefits	37,207	1,727	38,934
Employees who may receive benefits at retirement	117,723	3,312	121,035
Total membership	**154,930**	**5,039**	**159,969**

Contribution Policy

The contribution requirements of the University and eligible retirees are established and may be amended by the University. The contribution requirements are based upon projected pay-as-you-go financing. University and retiree contributions toward premiums made under purchased plan arrangements are determined by applying the health plan contract rates across the number of participants in the respective plans. Premium rates for the self-insured plan contributions are set by the University based upon a trend analysis of the historic cost, utilization, demographics and administrative expenses to provide for the claims incurred and the actuarially determined level of incurred but not reported liability.

Contributions toward medical and dental benefits are shared between the University and the retiree. Contributions toward wellness benefits are made by the University. The University does not contribute toward the cost of other benefits available to retirees. Retirees who are employed by the University after July 1, 2013, and retire at the age of 56 or older, become eligible for a percentage of the University's contribution based on age and years of service. Retirees are eligible for the maximum University contribution at age 65 with 20 or more years of service. Retirees employed by the University prior to 1990 and not rehired after that date are eligible for the University's maximum contribution if they retire before age 55 and have at least 10 years of service, or if they retire at age 55 or later and have at least five years of service. Retirees employed by the University after 1989 are subject to graduated eligibility provisions that generally require 10 years of service before becoming eligible for 50.0 percent of the maximum University contribution, increasing to 100.0 percent after 20 years of service.

Active employees do not make any contributions toward the retiree health benefit plans. Retirees pay the excess, if any, of the premium over the applicable portion of the University's contribution.

In addition to the explicit University contribution provided to retirees, there is an "implicit subsidy." The gross premiums for members who are not currently eligible for Medicare benefits are the same for active employees and retirees, based on a blend of their health costs. Retirees, on average, are expected to have higher health care costs than active employees. This is primarily due to the older average age of retirees. Since the same gross premiums apply to both groups, the premiums paid for active employees by the University are subsidizing the premiums for retirees. This effect is called the implicit subsidy. The implicit subsidy associated with retiree health costs paid during the past year is also considered to be a contribution from the University.

Retiree Health Benefit Expense and Obligation for Retiree Health Benefits

The University's retiree health benefit expense is independently calculated for campuses and medical centers based upon the actuarially determined annual required contribution. The annual required contribution represents the level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize unfunded actuarial liabilities over a period of up to 30 years.

UCLA's annual retiree health benefit expense and related information for the years ended June 30, 2014 and 2013 is as follows:

	UCLA	
(dollars in thousands)	**2014**	**2013**
Actuarial valuation date	July 1, 2013	July 1, 2012
Annual required contribution	$ 406,093	$ 429,978
Interest on obligation to retiree health benefits	100,290	84,686
Adjustment to annual required contribution	(191,221)	(152,004)
Annual retiree health benefit cost	**315,162**	**362,660**
Contributions for retiree health benefits	**(94,160)**	**(76,513)**
Increase in obligations for retiree health benefits	**221,002**	**286,147**
Obligations for retiree health benefits		
Beginning of year	1,809,687	1,523,540
End of year	**$ 2,030,689**	**$ 1,809,687**

The annual retiree health benefit cost, percentage of the annual retiree health benefit cost contributed to the retiree health benefit plan, and the net obligation for retiree health benefits for UCLA for the year ended June 30, 2014, and the preceding years are as follows:

(dollars in thousands)	**UCLA**
Annual retiree health benefit cost:	
June 30, 2014	$ 315,162
June 30, 2013	362,660
June 30, 2012	381,852
Percent of annual cost contribution:	
June 30, 2014	31.2%
June 30, 2013	22.1%
June 30, 2012	23.2%
Net obligation (benefit) to the retiree benefits plan:	
June 30, 2014	$ 2,030,689
June 30, 2013	1,809,687
June 30, 2012	1,523,540

Funded Status

Actuarial valuations represent a long-term perspective and involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, investment return and health care cost trends. The projection of benefits does not explicitly incorporate the potential effects of the results of collective bargaining discussions on the contribution rate. Actuarially determined amounts are subject to periodic revisions as actual rates are compared with past expectations and new estimates are made about the future.

The funded status of the plan for UCLA campus and medical center as of July 1, 2013, was as follows:

(dollars in thousands)		
Actuarial value of plan assets	$	10,975
Actuarial accrued liability		(3,283,203)
Unfunded actuarial accrued liability	**$**	**(3,272,228)**
Value of the implicit subsidy included in the actuarial accrued liability	$	637,056
Funded ratio		0.3%
Covered payroll	$	2,122,984
Unfunded actuarial accrued liability as a percentage of covered payroll		(151.4%)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based upon the plan as understood by the University and plan members, and include the types of benefits provided at the time of each valuation and the historical cost pattern of sharing of benefit costs between the University and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant actuarial methods and assumptions used in the valuation were:

- Assumed return on investment of 5.5 percent per year, representing the return on the University's assets expected to be used to finance benefits;
- Market value of assets smoothed over a five-year period;
- Health care cost trend rate ranging from 7.5 to 10.5 percent for non-Medicare and 6.8 to 8.5 percent for Medicare initially, depending on the type of plan, reduced by increments to an ultimate rate of 5.0 percent over 15 years;
- Projected inflation at 3.5 percent;
- Amortization of the initial unfunded actuarial accrued liability over 30 years as a flat dollar amount on a closed basis;
- Amortization of future actuarial gains and losses over 15 years as a flat dollar amount on a closed basis;
- Amortization of the effects of changes in the plan design, or changes in assumptions, over 30 years as a flat dollar amount on a closed basis;
- Entry Age Normal level-dollar actuarial cost method;
- Future life expectancy based upon recent group mortality experience; and
- Assumed retirement ages, employee turnover and disability rates based on actual plan experience and future expectations.

10. ENDOWMENTS AND FOUNDATION GIFTS

The value of endowments and gifts held and administered by the University or by UCLA's Foundations, exclusive of income distributed to be used for operating purposes, at June 30, 2014 and 2013, are as follows:

	UCLA		FOUNDATIONS	
(dollars in thousands)	**2014**	**2013**	**2014**	**2013**
Restricted				
Endowments	$ 247,900	$ 237,011	$ 868,783	$ 778,924
Annuity and life income	40	39	24,003	18,195
Nonexpendable	**247,940**	**237,050**	**892,786**	**797,119**
Endowments	486,635	396,806	237,750	174,297
Funds functional as endowments	577,383	493,021	465,503	419,602
Annuity and life income	455	378	17,332	13,975
Gifts	214,329	206,291	572,431	452,759
Expendable	**1,278,802**	**1,096,496**	**1,293,016**	**1,060,633**
Total restricted	**1,526,742**	**1,333,546**	**2,185,802**	**1,857,752**
Unrestricted				
Endowments	797	650		
Funds functional as endowments	177,765	151,934		
Gifts	2,567	2,689	103,690	112,244
Total unrestricted	**181,129**	**155,273**	**103,690**	**112,244**
Total	**$ 1,707,871**	**$ 1,488,819**	**$ 2,289,492**	**$ 1,969,996**

University Endowments

The endowments held by the University are administered on a systemwide basis. The University's endowment income distribution policies are designed to preserve the value of the endowment in real terms (after inflation) and to generate a predictable stream of spendable income. Endowment investments are managed to achieve the maximum long-term total return. As a result of this emphasis on total return, the proportion of the annual income distribution provided by dividend and interest income and by capital gains may vary significantly from year to year. The University's policy is to retain the realized and unrealized appreciation with the endowment after the annual income distribution has been made. The net appreciation available to meet future spending needs, subject to the approval of The Regents, amounted to $968 million and $783 million at June 30, 2014 and 2013, respectively.

The portion of investment returns earned on endowments held by the University and distributed at the end of each year to support current operations for the following year is based upon a rate that is approved by The Regents. The annual income distribution transferred to UCLA from endowments held by the University was $32 million and $33 million for years ended June 30, 2014 and 2013, respectively. The portion of this annual income distribution from accumulated capital gains, in addition to the dividend and interest income earned during the year, was $27 million and $23 million for the years ended June 30, 2014 and 2013, respectively. Accumulated endowment income available for spending in the future, including the annual income distribution, was $68 million and $69 million at June 30, 2014 and 2013, respectively.

UCLA Foundations

During the years ended June 30, 2014 and 2013, gifts of $199 million ($80 million from endowment investments and $119 million from current funds) and $190 million ($67 million from endowment investments and $123 million from current funds), respectively, were transferred to UCLA from these Foundations.

11. OPERATING EXPENSES BY FUNCTION

Operating expenses, by functional classification, for the years ended June 30, 2014 and 2013, are as follows:

(dollars in thousands)	**2014**	**2013**
Instruction	$ 1,715,348	$ 1,753,321
Research	721,942	784,209
Public service	114,661	118,120
Academic support	567,819	530,005
Student services	137,062	126,791
Institutional support	211,177	210,665
Operations and maintenance of plant	93,996	89,495
Student financial aid	30,100	39,736
Medical centers	1,741,880	1,741,909
Auxiliary enterprises	320,990	323,441
Depreciation	333,971	293,149
Other	23,141	22,543
Total	**$ 6,012,087**	**$ 6,033,384**

12. SEGMENT INFORMATION - MEDICAL CENTER

UCLA's significant identifiable activities for which revenue bonds may be outstanding where revenue is pledged in support of revenue bonds are related to its medical center. The medical center's operating revenues and expenses consist primarily of revenues associated with patient care and the related costs of providing that care. Condensed financial statement information related to each of the University's medical centers for the year ended June 30, 2014 is provided in footnote 17 of the University

of California Annual Financial Report. Condensed financial statement information for the UCLA medical center for the years ended June 30, 2014 and June 30, 2013 is as follows:

(dollars in thousands)	2014	2013 RESTATED
Revenue bonds outstanding	$ 719,140	$ 636,325
Related debt service payments	72,696	41,768
Bonds due serially through	2,049	2,049
CONDENSED STATEMENT OF NET POSITION		
Current assets	1,230,184	1,150,209
Capital assets, net	1,871,926	1,911,573
Other assets	45,603	27,057
Total assets	**3,147,713**	**3,088,839**
Total deferred outflows of resources	**329,765**	**368,743**
Current liabilities	308,007	366,885
Long-term debt	820,828	703,166
Other noncurrent liabilities	787,976	1,006,470
Total liabilities	**1,916,811**	**2,076,521**
Total deferred inflows of resources	**457,905**	**261,910**
Net investment in capital assets	989,268	1,149,607
Restricted	12,670	12,135
Unrestricted	100,824	(42,591)
Total net position	**$ 1,102,762**	**$ 1,119,151**
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION		
Operating revenues	$ 1,988,037	$ 1,914,453
Operating expenses	(1,738,753)	(1,702,137)
Depreciation expense	(126,069)	(110,964)
Operating income	**123,215**	**101,352**
Nonoperating expenses, net	(20,098)	(8,044)
Income before other changes in net position	**$ 103,117**	**$ 93,308**
Health systems support	(117,082)	(102,990)
Transfers from University, net		
Changes in allocation for pension payable to University	(4,759)	(6,912)
Other, including donated assets	7,592	6,666
Decrease in net position	**$ (11,132)**	**$ (9,928)**
Net position – beginning of year		
Beginning of year, as previously reported	1,927,153	1,823,286
Cumulative effect of accounting change	(813,259)	(697,223)
Beginning of year, as restated	1,113,894	1,126,063
Net position – June 30, 2014	**$ 1,102,762**	**$ 1,116,135**
CONDENSED STATEMENT OF CASH FLOWS		
Net cash provided (used) by:		
Operating activities	$ 357,784	$ 221,291
Noncapital financing activities	(116,865)	(99,697)
Capital and related financing activities	(135,114)	(183,518)
Investing activities	14,550	17,573
Net increase (decrease) in cash and cash equivalents	**$ 120,355**	**$ (44,351)**
Cash and cash equivalents* – prior year	700,743	745,094
Cash and cash equivalents* – June 30	**$ 821,098**	**$ 700,743**

*Cash and cash equivalents on the medical center's financial statements are included in the University's Short Term Investment Pool

Additional information for the UCLA Medical Centers can be found at: http://www.ucop.edu/financial-accounting/

13. CAMPUS FOUNDATION INFORMATION

Under University policies approved by The Regents, each individual campus may establish a separate foundation to provide valuable assistance in fundraising, public outreach, and other support for the missions of the campus and the University. Although independent boards govern these foundations, their assets are dedicated for the benefit of the University.

The UCLA Foundation was established in 1945 to raise funds to benefit UCLA. In addition, the Jonsson Cancer Center Foundation/UCLA (JCCF) was established in 1956 with the primary purpose to raise funds for cancer research at UCLA. These two foundations are component units of the University. The combined financial statements of these two foundations are presented discretely in a separate column on the University's financial statements because of their nature and significance of their relationship with the University.

Condensed financial statement information related to UCLA's foundations for the years ended June 30, 2014 and 2013 is as follows:

	UCLA FOUNDATIONS		
(dollars in thousands)	UCLA FOUNDATION*	JONSSON CANCER CENTER FOUNDATION	TOTAL
Year ended June 30, 2014			
CONDENSED STATEMENT OF NET POSITION			
Current assets	$ 391,753	$ 7,029	$ 398,782
Noncurrent assets	2,148,482	3,868	2,152,350
Total assets	**2,540,235**	**10,897**	**2,551,132**
Current liabilities	227,947	47	227,994
Noncurrent liabilities	33,646	-	33,646
Total liabilities	**261,593**	**47**	**261,640**
Restricted	2,183,121	2,681	2,185,802
Unrestricted	95,521	8,169	103,690
Total net position	**$ 2,278,642**	**$ 10,850**	**$ 2,289,492**
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION			
Operating revenues	$ 274,203	$ 10,380	$ 284,583
Operating expenses	(229,237)	(9,488)	(238,725)
Operating income	**44,966**	**892**	**45,858**
Nonoperating revenues	199,245	393	199,638
Income before other changes in net position	**244,211**	**1,285**	**245,496**
Permanent endowments	74,000	-	74,000
Increase in net position	**318,211**	**1,285**	**319,496**
Net position – June 30, 2013	1,960,431	9,565	1,969,996
Cumulative effect of accounting change	-	-	-
Beginning of year, as restated	1,960,431	9,565	1,969,996
Net position – June 30, 2014	**$ 2,278,642**	**$ 10,850**	**$ 2,289,492**
CONDENSED STATEMENT OF CASH FLOWS			
Net cash provided (used) by:			
Operating activities	$ (84,395)	$ (815)	$ (85,210)
Noncapital financing activities	62,714	-	62,714
Investing activities	22,102	890	22,992
Net increase in cash and equivalents	**421**	**75**	**496**
Cash and equivalents – June 30, 2013	2,049	60	2,109
Cash and equivalents – June 30, 2014	**$ 2,470**	**$ 135**	**$ 2,605**

**Net of investments held for JCCF*

(dollars in thousands)	UCLA FOUNDATIONS UCLA FOUNDATION*	JONSSON CANCER CENTER FOUNDATION	TOTAL
Year ended June 30, 2013			
CONDENSED STATEMENT OF NET POSITION			
Current assets	$ 298,296	$ 6,312	$ 304,608
Noncurrent assets	1,905,485	3,287	1,908,772
Total assets	**2,203,781**	**9,599**	**2,213,380**
Current liabilities	208,845	34	208,879
Noncurrent liabilities	34,505	-	34,505
Total liabilities	**243,350**	**34**	**243,384**
Restricted	1,855,863	1,889	1,857,752
Unrestricted	104,568	7,676	112,244
Total net position	**$ 1,960,431**	**$ 9,565**	**$ 1,969,996**
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION			
Operating revenues	$ 252,960	$ 12,772	$ 265,732
Operating expenses	(263,445)	(12,008)	(275,453)
Operating income (loss)	**(10,485)**	**764**	**(9,721)**
Nonoperating revenues	194,819	419	195,238
Income before other changes in net position	**184,334**	**1,183**	**185,517**
Permanent endowments	53,572	-	53,572
Increase in net position	**237,906**	**1,183**	**239,089**
Net position – June 30, 2012	1,739,728	13,666	1,753,394
Cumulative effect of change in accounting principle	(17,203)	(5,284)	(22,487)
Net position – June 30, 2013	**$ 1,960,431**	**$ 9,565**	**$ 1,969,996**
CONDENSED STATEMENT OF CASH FLOWS			
Net cash provided (used) by:			
Operating activities	$ (131,921)	$ (208)	$ (132,129)
Noncapital financing activities	42,244	-	42,244
Investing activities	90,457	219	90,676
Net increase in cash and equivalents	**780**	**11**	**791**
Cash and equivalents – June 30, 2012	1,269	49	1,318
Cash and equivalents – June 30, 2013	**$ 2,049**	**$ 60**	**$ 2,109**

**Net of investments held for JCCF*

Additional information for the Foundations can be found at:
https://www.uclafoundation.org/ and http://cancer.ucla.edu

14. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

Amounts committed but unexpended for construction projects totaled $442 million and $676 million on June 30, 2014 and 2013, respectively.

UCLA leases land, buildings and equipment under agreements recorded as operating leases. Operating lease expenses for the years ended June 30, 2014 and 2013 were $65 million and $73 million, respectively. The terms of operating leases extend through March 2027.

Future minimum payments on operating leases with initial or remaining non-cancelable terms in excess of one year are as follows:

(dollars in thousands) **Year ending June 30**	**MINIMUM ANNUAL LEASE PAYMENTS**
2015	$ 54,257
2016	46,961
2017	38,239
2018	31,995
2019	25,516
2020–2024	51,287
2025–2027	1,354
Total	**$ 249,609**

Contingencies

Substantial amounts are received and expended by UCLA, including the UCLA Medical Center, under federal and state programs, and are subject to audit by cognizant governmental agencies. This funding relates to research, student aid, medical center operations and other programs. UCLA management believes that any liabilities arising from such audits will not have a material effect on UCLA's financial position.

UCLA and the foundations are contingently liable in connection with certain other claims and contracts, including those currently in litigation, arising in the normal course of its activities. Although there are inherent uncertainties in any litigation, UCLA management and campus counsel are of the opinion that the outcome of such matters will not have a material effect on UCLA's financial position.

15. SUBSEQUENT EVENTS

Subsequent to the fiscal year end June 30, 2014, a water main break flooded a portion of the UCLA campus on July 29, 2014. UCLA participates in the UC Trust self-insurance to cover the first $7.5 million of such losses and maintains third-party insurance to cover losses exceeding that amount. The third-party insurance substantially exceeds anticipated flood losses. The total loss has not been determined and insurance proceeds are expected to substantially cover the total loss. Uncovered losses, if any, are not expected to have a material effect on the UCLA financial statements. Per GASB No. 56 this is a "non-recognized" event and it does not require any adjustment to the financial statement for the fiscal year ended June 30, 2014; however due to the nature of the event, and mitigating insurance, disclosure is essential to a user's understanding of the financial statements.

UCLA

Photography by Sim Grewall

The new Evelyn and Mo Ostin Music Center, an addition to the Schoenberg Music Building, features state-of-the-art facilities increasing visual access to the practice, performance, and study of music.

Photography, Ivy Reynolds for UCLA

The graceful curves of the John V. Tunney Bridge frame a view from the Hammer Museum Courtyard. Designed by Michael Maltzan Architecture, the pedestrian bridge gives visitors a direct connection between the eastern and western galleries.

UCLA

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Cover Photograph, *courtesy UCLA Athletics*

UCLA

2014 was a stellar year for women's teams, earning two NCAA championships. The UCLA women's tennis team won its second NCAA championship. The UCLA women's soccer team celebrates their first NCAA championship.

Photograph, courtesy of UCLA Athletics

Photograph, Rodney Williams

Photograph, Jeff Sipsey

CHAMPIONS ARE MADE HERE

UCLA leads the nation with 111 NCAA team championships and 132 total national championships!

Men's NCAA Titles (72)

Baseball (1)	2013										
Basketball (11)	1964	1965	1967	1968	1969	1970	1971	1972	1973	1975	1995
Golf (2)	1988	2008									
Gymnastics (2)	1984	1987									
Soccer (4)	1985	1990	1997	2002							
Swimming & Diving (1)	1982										
Tennis (16)	1950	1952	1953	1954	1956	1960	1961	1965	1970	1971	1975
	1976	1979	1982	1984	2005						
Track & Field – Outdoor (8)	1956	1966	1971	1972	1973	1978	1987	1988			
Volleyball (19)	1970	1971	1972	1974	1975	1976	1979	1981	1982	1983	1984
	1987	1989	1993	1995	1996	1998	2000	2006			
Water Polo (8)	1969	1971	1972	1995	1996	1999	2000	2004			

Women's NCAA Titles (39)

Golf (3)	1991	2004	2011								
Gymnastics (6)	1997	2000	2001	2003	2004	2010					
Soccer (1)	2013										
Softball (11)	1982	1984	1985	1988	1989	1990	1992	1999	2003	2004	2010
Tennis (2)	2008	2014									
Track & Field - Indoor (2)	2000	2001									
Track & Field - Outdoor (3)	1982	1983	2004								
Volleyball (4)	1984	1990	1991	2011							
Water Polo (7)	2001	2003	2005	2006	2007	2008	2009				

Men's National Team Titles (6)

Football (1)	UPI	1954			
Rowing (2)	IRA	1972	1973		
Volleyball (3)	USVBA	1956	1965	1967	

Women's National Team Titles (15)

Badminton (1)	AIAW	1977			
Basketball (1)	AIAW	1978			
Golf (1)	DGWS	1971			
Rowing (1)	IRA	1974			
Softball (1)	AIAW	1978			
Tennis (1)	AIAW	1981			
Track & Field (2)	AIAW	1975	1977		
Volleyball (3)	DGWS	1972			
	AIAW	1974	1975		
Water Polo (4)	National Collegiate	1996	1997	1998	2000

UCLA

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